THE FINANCIAL POST

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The Nation's Business

Ontario Tries Again
Government Control Linked With Tax Cuts
Conservative Leadership
Intellectual Orator Not Enough
Business Man is Need

THE failure of prohibition to advance the cause of temperance to the extent that had been hoped for has been as marked in those parts of Canada where it has been attempted as it has been in the United States. Canada has been fortunate in that her constitution has sufficient elasticity to permit the mistakes of extremists to be corrected.

Province after province has abolished intolerable conditions to substitute some measure of government control. Quebec has set the standard that is the envy of business men and politicans alike in other provinces, since it has established an excellent degree of temperance under state protection and has also made its liquor trade provide revenue for the state rather than for bootleggers. A number of other provinces have adopted some modified form of government control of the liquor trade and Ontario will now have an opportunity of expressing its views on the subject and of deciding whether it considers government control a step in the direction of temperance.

While there are those who are rather disappointed that the issue is not divorced from party politics, there can be no complaint that the question has not been directly and fairly stated by Premier G. H. Ferguson in his appeal to the people. The issue is clear. Premier Ferguson asks to be returned to office with his party, the Conservatives, first, to bring into effect a government liquor control policy and, secondly, to use that revenue to reduce automobile, amusement and other taxes. Mr. Ferguson has made his case in a statement that must be regarded as a model of clear and definite political pronunciamento and that will win him the sympathetic appreciation of his opponents even if it does not win him their votes.

* * *

THE appeal for government control of the liquor trade is made as promising a real step in the direction of temperance. It is made as giving assurance of ending conditions admittedly intolerable at the present time, but which were the result of the public rising in its rage against the old-time saloon keepers and liquor vendors and attempting a solution now widely believed to be too extreme to be workable. Of course, all will not agree that government control is a step in the direction of temperance. Here is where the issue will be joined. But many leading Liberals fear that Mr. Ferguson has spiked their guns, or, to change the metaphor so quickly, has stolen their thunder on both temperance and tax reduction. A strong Liberal campaign would be a triumph of resourcefulness in handling an admittedly difficult political situation.

* * *

IT IS significant that in business circles the economic features of question receive most attention. Government liquor control is expected immediately to have two effects, that are certain to be immediately favorable to business. One will be the reduction of direct taxes and the improvement of provincial finances through the opening up of an important source of revenue. The second will be the certain enlargement of the tourist trade with its manifold influences upon hotel construction, good roads development, retail trade, etc.

* * *

THE question of the leadership of the Conservative party draws attention to a weakness in our present system of government. To lead a party requires some skill in public speaking and debate. To administer the affairs of a nation requires business ability and experience. The system which requires the prime minister and executive head of the nation's business affairs to be at the same time the house leader of a political party calls for a circumstance that is seldom achieved; namely, the combination of the orator and business man in one; a fusion in one mind of great intellectual and administrative qualities.

Canada should make if possible for the prime minister to manage the nation's affairs without spending most of his time debating on the floor of the house. There should be a distinct house leader, spokesman for the prime minister, who is head of his political party. Similarly cabinet ministers should be primarily administrators, not necessarily members of the house at all, and they too could be represented in the house by the chairmen of the standing committees that look after the affairs of their departments.

* * *

MR. GUTHRIE, however, misinterprets the function of the leader of the opposition when he states, as the press has reported him as saying, that the opposition should

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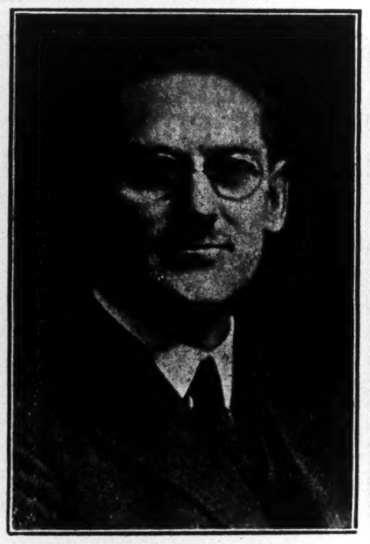
Foreign Capital to Come Only if Our Taxes Lower

Basic Principle for Federal, Provincial and Municipal Taxation Throughout Canada is Laid Before the National Boards of Trade

By C. L. BURTON,
Vice-president, the Robert Simpson Company, before the convention of the Canadian Board of Trade at St. John.

"The taxation policy of Canada should be framed from the single consideration of placing our earnings on a lower basis of taxation than any other nation from whose people we can expect money for investment."—C. L. Burton.



C. L. Burton.

Canada by reason of her important contribution in the Great War enjoys the distinction of being one of the most heavily taxed communities in the world. Aside, however, from the huge burden of debt borne on account of war, there has been an almost prodigal expenditure for the various provincial and municipal services. The great development in this age of electricity—the universal demand for better roads, for civic improvement, for more numerous and radically more commodious schools, and for various new social laws such as mother's allowance, etc., has resulted in such an increase of indebtedness as would have been inconceivable but a few years ago.

Public agitation for new laws of control, of present day activities, the increase in government regulations and the consequent increase in the number of civil service and municipal employees all paid out of revenue received by various taxing authorities has greatly added to our debt obligations. The canker of the political consideration in the administration of government departments and the various forms of pressure which the politician exerts, continues to rob our services of efficiency and of the spirit necessary to economical management.

On a recent visit to Britain where the government services are more or less free from the taint of the "pork barrel," one could only hope that we might find a way to extend our liberties under the British system which would remove political interference from our civil service.

Taxation is always distressing to the taxpayer. It is a subject upon which little uniformity of opinion may be expected. The authority incurring the debt and responsible for the tax seems far distant from the taxpayer and it not easily brought to account, nor has any method been evolved to prevent additions due to such measures as depart from good principle.

It is not the purpose of the author of these notes to attempt to present a statement of our taxation obligations.

One of the most hopeful features of our situation is that our debt is largely due to our own people.

Pleasing the Public

The large profits made out of war brought about insistent demands for return of such profits in form of a levy on excess profits and of a federal income tax. The trend of opinion was greatly affected by more or less radical and demagogic agitation and the always to be feared political opportunist who will try to gain temporary advantage without regard to the consequences to the country.

Fortunately such opinion has run its course. The effort of our government to effect reduction and the promise of further reduction is a most happy augury for the future.

The boards of trade and chambers of commerce have played no small part in offsetting the unsound theory that the taxing authority is justified in going where the money is and taking it without due regard for the effect of such treatment on development enterprise.

Investment in Safe Securities

The income tax demands and the taxation of profits has had a serious effect in directing the channels into which money for investment is diverted. The rapid increase in the borrowings for provincial and municipal purposes as well as for war debt has provided a big safe field for the investor but the effect otherwise has been anything but fortunate for the development of the country. It has also encouraged a more or less loose or careless disregard for economy.

The municipality and the province have found it easy to add to their debt obligations by the readiness with which their securities are snapped up.

Enterprise Discouraged

The competition of governments and municipalities for available funds for investment has been a serious factor hindering our development. All industrial enterprise investment is hazardous compared with an investment in a government or municipal bond.

Development investments are even more hazardous. Canada of all the countries in the world is the one which can least afford discouragement to the investor.

True we must pay our debt. We must raise our interest payments. We must face our problems of increasing loss on our over-developed railway facilities. How shall we finance these situations? Shall it be solved by immediate levies of various forms of taxation or shall the problem be handled from the standpoint that no form or extent of taxation must be

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MOVE TO RESTORE FAITH IN ALBERTA FARM MORTGAGES

Follows on Convention of Mortgage Association at Edmonton

From Our Own Correspondent.

LETHBRIDGE.—At a recent meeting of the Lethbridge Board of Trade a movement was launched looking to the inauguration of a campaign to attract the mortgage loan companies back to Alberta through the restoration of confidence in this province as a safe and fertile field for investment. The president of the trade board, A. B. Hogg, sponsored this move and it met with instant favor everywhere, the recent loan conference at Edmonton accelerating the agitation.

Following a very full and frank discussion of the mortgage loan situation in Alberta, a resolution was passed authorizing the board to memorialize the Alberta government on the matter of legislation said to be detrimental to the investment of funds here and given as the cause of the withdrawal of the loan companies from this field. The Lethbridge board has invited other trade bodies in Alberta, the daily press and business interests generally to join in this campaign to place Alberta in a better position in the eyes of eastern financial men, as it is recognized that the development of Alberta's great natural resources is being held back because of the curtailment of investments by outside interests because of special legislation.

The move is non-partizan; all interests in the province are urged to get behind it as a move forward.

GRAVE PROBLEMS ARE STUDIED BY BOARD OF TRADE

Convention at St. John Was One of Serious Business

MUCH WORK, NO PLAY

Delegates Consider That They Were Appointed to Solve Important Issues and Devote Themselves to Them

By J. RIELLE THOMSON,
Eastern Editor, The Financial Post.

ST. JOHN.—Of course, the convention of the Canadian Board of Trade held here this week was an outstanding event in Canadian business. The sentiment which prompted holding the conference and holding it in the east is one which augurs well for a better understanding of the sectional problems of the Dominion and thus augurs well too for the eventual solution of the many economic problems which surround the Canadian industrial cosmos.

The spirit which prevailed throughout the proceedings was one which indicates that such solutions which the new dominion boards will recommend will be ones which should prove acceptable to the dominion as a whole. But there were other ways in which the convention differed from the usual—there was no back-slapping, hurrahs and hallelujahs and all other clap-trap which sometimes is used to provide a pseudo air of comradeship and good fellowship. There were no dances either, and golf and side trips played something less than an insignificant role in the proceedings. The delegates were there to study, and study they did. When the general meetings were not in session committees went quickly to work in the various rooms set apart for their use. Each of these studied and discussed one of the various major problems which confront the dominion. Some of the subjects dealt with by these committees included colonial immigration and colonization, taxation, export, domestic and provincial trade relations, preservation of the identity of the Canadian grain, Maritime problems, cost of government, industrial research and the western cattle situation.

The committees, after study and discussion of these problems, handed their replies and resolutions to the resolution committee. The latter was under the chairmanship of R. G. Persse, president of the Winnipeg Board of Trade, and included in its membership all the chairmen of the sub-committees. The resolutions committee considered the reports and on the last day of the convention passed on the resolution—modified or amplified in some cases—to the general meeting.

E. W. Beatty, president of the Canadian Pacific Railway, concluded the convention by summing up and reviewing the work which was accomplished.

Thus it will be seen that the whole organization of the convention was towards one end, namely, the accomplishing of as much work as possible during the three day period. There have been other conventions

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Interest in Beverage Stocks Following Ferguson Wet Policy

Indications That Public is Much Interested and That Considerable Speculation is Going on — Has Development Been Discounted?

Canadian Industrial Alcohol which has been a marked favorite for some time, is thought to be approaching a very liberal dividehd policy. One of the most optimistic investors, who claimed that I. D. was earning over $4 per share predicted that Canadian Industrial would increase the dividend from $1.28 to $2 and declare a 25 per cent. stack bonus.

Assuming that Ferguson will get in, has the market discounted the effect of the return of beverages to Ontario? Was the market when it maintained the prices of alcoholic stocks during the recent reaction already discounting the Ferguson's wet policy?

Considerable attention is being paid the beverage group of stocks following Premier Ferguson's announcement as regards the Ontario government liquor policy. The interest in beverage stock is very keen, and brokers claim that the most popular inquiry these days is: "How's the market for G. & W. and Canadian Industrial Alcohol?" Certainly the liquor group has been prominent. Both G. & W. and Industrial Alcohol have not only held well in face of a depressed market, but have actually scored gains. National Breweries, Cosgraves, and B. C. Distillers were also prominent and strong.

What concerns everybody interested in beverage stocks is the decision of the Ontario public on the temperance question. Stocks such as G. & W. will be most affected by the decision, and others such as B. C. Distillers to a less degree. What the market is liable to overlook, however, is that regardless of the outcome, even under O.T.A., G. & W. is making phenomenal progress if estimates of earning commonly heard are true.

In the case of G. & W., not only is there speculation as to the election outcome, but also as to the dividend which will be shortly announced. G. & W. earnings are said to be running very high. Both the sale of industrial alcohol and beverages have been very substantial. G. & W. does not make its statement public, and the following stock of the company is not

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Four Mining Pages This Week

A few years ago The Financial Post established a mining page, the first mining page in any Canadian business or investment publication.

Then it started the publication of regular feature issues dealing with mining and mining investments in a big way.

There was further progress; about a year ago the single mining page each week became a double page spread and without any declining emphasis upon the many other subjects that interest the readers of The Post each week.

Now we have a further important step to announce:

Starting with this issue, The Financial Post will print each week a supplement on Canadian mining news—never less than four pages, often more.

The section will be sent to all subscribers to The Financial Post as part of their service and without any increase in the subscription price of $5 a year.

The supplement will not mean any impairment of the business and investment service along other lines. Quite the opposite; for segregating mining in a special supplement will relieve other pages for enlarged investment service, better coverage of business, more feature articles.

All in all, it is a development that means much to regular readers of The Post.

Lower Freight Rates and Increased Subsidies Are Suggestions of Duncan

Duncan Recommends

Increase Maritime subsidies at once with interim payments of $875,000 to Nova Scotia; $600,000 to New Brunswick and $125,000 to Prince Edward Island.

Reduce Maritime freight rates 20 per cent. and charge difference to the government.

Extend Atlantic region to Levis or Diamond Junction.

Increase boat service to P. E. I. and charge the government with the additional cost.

Establishment of federal harbor boards at St. John and Halifax.

Establishment of coking plants in N. S.

Important Economic Concessions Recommended For Maritimes

DEVELOP COAL SUPPLY

Establishment of Coking Plant is Proposed—Improved Boat Service to P.E.I. at Public Cost is Favored.

From Our Own Correspondent.

MONTREAL.—The Duncan Commission's report on Maritime rights contains a recommendation to increase materially the subsidies of each of the three provinces immediately, at least this is the exclusive information which comes to The Financial Post from authoritative sources. Moreover, it is understood that the report recommends the following immediate interim payments to each of the provinces of Nova Scotia, $875,000; to New Brunswick, $600,000, and to Prince Edward Island, $125,000.

In the meantime the report has been pigeon-holed, much to the general disgust of the Maritimes. Many feel that the withholding of the report was simply due to the by-elections which will soon take place. The government might perhaps be weakened at these elections through the publication of the commission's recommendations. Moreover, many Maritimers feel that pigeon-holing the report will simply delay any action which ought to be taken for another year at least.

But there are many other important recommendations and suggestions contained in the report which it is understood entirely bear out most of the long-stressed contentions of the Maritimes. While all the information which The Financial Post has gleamed comes from sources so reliable that it is well-nigh impossible to doubt their accuracy, yet it is obvious that this information does not and cannot carry any official imprimatur.

First and foremost, it is generally known that the Royal Commission recommended the immediate publication of its report. This, of course, has not been carried out, thus the Maritimes have every reason to feel some resentment at the delay.

For Lower Freight Rates

It is understood that the report points out that C.N.R. rates have been increased 92 per cent. in the Maritimes as against 55 per cent. in the rest of Canada; thus there are the recommendations that Maritime rates be reduced some 20 per cent., that the Atlantic region be extended to Diamond Junction or Levis, and that such reductions in the rates be charged not to the railway, but to the federal government. It is thought that the proposed changes in rail rates which the report recommends, have been worked out to enable Maritime manufacturers to obtain wider markets.

There is another suggestion which affects the C.N.R. This has to do with the boat service between the mainland and P.E.I. It is recommended that this service be increased and that the cost be charged to the country and not to the C.N.R. One rather interesting point which is made in the report is that in the commission's opinion the union of the provinces would not help to surmount the various economic handicaps under which the Maritimes labor — those from other sections of Canada have often

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Besco Payroll Means Prosperity for Cape Breton

From Our Own Correspondent

SYDNEY.—A growing improvement in business is reported by merchants throughout Cape Breton, and general optimism is replacing the gloomy feeling that has prevailed practically ever since 1924. Boom conditions at the island collieries, coupled with fairly steady operation of the steel plants, have put a lot of money in circulation and show signs of continuing into 1927. The corporation executive has publicly stated that it has requests for more coal than it can possibly mine up to the time river navigation closes on November 20.

The British Empire Steel Corporation is at present shipping 100,000 tons of iron ore to the Mystic Iron Works, of Boston, although this is of benefit more to Newfoundland than to Sydney.

How steadier employment is making business is easily understood when it is considered that during the month of September $1,476,993 was distributed in wages and salaries from one source alone—Besco.

This amount was divided as follows:

	Per Week	Per Month
Sydney Steel Plant...	$ 65,000.00	$292,000.00
Point Edward Quarry	625.00	2,708.00
Leitches' Creek Quarry	829.00	3,592.00
Dom. Coal Co. mines	207,931.00	901,034.00
S. & L. Railway	9,630.00	41,730.00
Sydney Mines collieries	42,159.00	162,689.00
Salaries—		
Cape Breton Island	......	73,240.00

This takes no account of the corporation's pay rolls for its mainland mines and railways.

The same or a large disbursement will take place in Cape Breton in October.

Fraser Companies Start Work Soon on Mill

By Staff Editor.

EDMUNDSTON, N. B. — As the Fraser Companies will obtain delivery of power from the new Grand Falls power project by July 1, 1928, it is planned to begin work on the companies' new newsprint mill next spring. This new mill is to be located in the Province of New Brunswick, and while no definite site for the new plant has been announced as yet, it is understood that there is but little chance of it being located beside the companies' present sulphite pulp mill here.

In the meantime satisfactory results are being obtained from the new high grade paper mill which is situated just across the U.S. border from the companies' sulphite mill here. This is a new plant which began operating at the beginning of the present year. The raw material for this plant, namely sulphite pulp, is pumped through a 5,000-ft. pipe line from the Edmunston plant. The capacity of the new plant is some 80 tons daily of high grade which is produced by two paper machines. These machines are capable of producing various types of the finer sulphite papers. Thus, in order to take advantage of the varying markets for the different grades of paper, the output of the U.S. mill varies with the position of the paper market.

International Announces $65 for 1927 Newsprint

NEW YORK.—International Paper Co. has announced a contract price of $65 a ton for newsprint for the calendar year 1927, unchanged from price prevailing throughout the current year.

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Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

General Confidence in Business Unabated
Industrial Centres Report Continued Activity
Implement Makers to Benefit by 1926 Crop
Stock Market Shows Sign of Weakness

THERE is no apparent abatement in the general confidence in the business situation and the amount of industrial activity prevailing throughout the country compares favorably with that of the past two months and is considerably ahead of this time last year. Both the employment service of Canada and the trades unions state that there is a better demand at present for skilled labor, while there has been a steady demand for unskilled workers since harvesting commenced last August. Another barometer of the trend of conditions is the sale of money orders and travelers' cheques. According to an official of a Canadian express company, the sale of this class of financial paper has shown a marked increase over last year.

Iron and Steel Active

Reports from the various industrial centres are all of a kindred nature—present operations on a high level and a good volume of business in sight. Iron and steel mills are generally active, with output and demand running consistently high. The market for pig iron has been somewhat quiet during the past week, but the recent price advance has been well maintained. Last month the production of steel ingots and castings rose to 58,837 tons, marking an increase of 29 per cent. over the previous month. The pig iron output of 64,187 tons, while only 9 per cent. greater than in August, was almost double the 34,609 tons produced in September a year ago. Compared with last year, production of castings, pig iron and steel ingots for the first nine months of this year, shows a substantial increase.

Other lines of industrial activity are also holding up well. Textile plants, knitting mills, implement makers, hardware and other metal working establishments have a good volume of business on hand. Flour mills continue to register improvement, the majority reporting capacity operations with heavy exports to London, Glasgow and Hamburg. Boot and shoe manufacturing continues good. Pulp and paper plants are also maintaining their output, and final figures for the year's operations are expected to establish a new high record.

Both wholesale and retail trade continue in a very satisfactory volume. Demand for practically all lines of goods is brisk. Wholesale dry goods houses are receiving a steady stream of orders. Woollens have been active the demand for blankets and such lines being better as colder weather prevails. Groceries are in good demand and hardware dealers are confident of a good season's trade. Crockery and glassware also report satisfactory sales for the season. Shortage of stocks is still causing some inconvenience at times. Retail stores are busy, but the demand varies with the weather. Generally speaking collections are moderately good, but are expected to improve when the returns from the threshing come in.

Farmers to Purchase More

The crop situation has taken a decided turn for the better during the past couple of weeks and it is hoped to have threshing operations completed by the end of this month. Marketings are increasing in volume and returns will shortly be received by the farmers. As the financial position of the farmer has shown vast improvement this year, considerable buying is looked for from this source. The first sign of this new buying power should be seen in the sales of tractors and other farm equipment. There has been little buying of this class of goods for the past three years, farmers being more concerned in paying off their obligations than in adding to their mechanical equipment. This year, the farm machinery companies have experienced a good number of substantial orders, but an even better demand is anticipated during the next four or five months.

The stock market has shown considerable uneveness during the past week, especially in some of the better stocks. No particular significance is attached to this, as it is known that the majority of the companies listed are in good sound position, and the trend of the market is attributed more to professional dealing rather than to any inherent weakness in the stocks. Considerable money is still obtainable at low rates for any development purposes. Banks continue to quote 6 per cent., on call loans and some of the trust companies are said to be letting out money at even lower rates.

Agricultural Survey

Threshing Nearing End
World Wheat Outlook Fair
British Buying Slow
U.S. Taking More Livestock

GOOD progress has been made in the West during the past week with threshing operations, which will be finally completed by the next week or two. The total wheat production for the three prairie provinces for 1926 is lately estimated at 377,472,000 bushels by the Northwest Grain Dealers' Association. This estimate is based on the acreage figures issued by the association on June 11 last and compiled from returns received from 80 per cent. of the country points in three provinces. The yield is based on actual threshing completed and the final figures may be reduced on account of recent weather conditions. By provinces the wheat yield is as follows:

Manitoba, 44,215,000 bushels.
Saskatchewan, 204,399,000 bushels.
Alberta, 128,858,000 bushels.

Every advantage of the improved weather is being taken by the farmers in getting their grain to market. Car loadings and grain marketings on the Western lines in the past ten days have increased considerably and the movement is expected to get into full swing very shortly. At the present time, the export demand has not been very great. Importers are continuing to wait for more definite news from the wheat producing countries outside of the United States and Canada. The latest reports show that Australia has 11,000,000 acres under crop, with an estimated yield of 150,000,000 bushels, as compared with 10,299,900 acres and a yield of 107,448,900 bushels last year. Prospects for the crop in that country are very good at present. France anticipates a fairly heavy reduction in her wheat crop this year, the estimated returns being 248,608,000 bushels, as against 330,842,100 bushels last year. The Argentine wheat crop was making good progress up to the end of last week, with prospects for an above-average yield. In the past few days frosts have been experienced in the Pampas and also in parts of North Cordoba, which may affect returns. Including France, the wheat yield of 32 countries in the Northern Hemisphere is now placed at 3,201,804,000 bushels, as compared with 3,254,344,000 bushels last season.

In view of the foregoing, grain prices on the Winnipeg Grain Exchange have shown an appreciable advance during the past week. Cash wheat has advanced about 4 cents, October option a little better than 3 cents, and May option about 2½ cents. Any spectacular advance has been held off by the high ocean freight rates, brought about by the British coal strike. The labor troubles in England are expected to be definitely settled before the end of this month, but it is not generally anticipated that ocean freight rates will reflect this news until the middle of December.

Little change is reported in the dairy products and livestock markets. Some demand developed during the week for cheese from American buyers. British buyers are still holding back, but there are indications that they may come in the market for both butter and cheese, as their stocks on hand are now at a low point. The cattle market situation remains fairly satisfactory, with prices steady. Domestic marketings are ahead of last year, but exports of packing products to the United Kingdom are still off. One of the surprising features of the situation is the manner in which American buying of cattle and cattle products has increased to such proportions as to offset to a great extent the poor British demand. In the first nine months of this year, shipments of cattle to the United States increased about 33 1/3 per cent. over the same period last year; calves remained about the same, and beef increased approximately 100 per cent.

INDUSTRY ADDS OVER $2,600,000,000 TO YEAR'S INCOME

That Was 1924 Revenue From Manufacturing in Canada

General depression in most lines of activity during 1924 is reflected in the returns on manufactures of Canada in that period, issued by the Bureau of Statistics. The gross value of manufactured products at the point of production amounted to $2,695,053,582, which was a decrease of $86,111,932 when compared with 1923. A comparison by provinces shows that decreases prevailed in the older provinces and increases in each of the Western provinces, Alberta's increase being $10,907,560; British Columbia, $5,779,305; Manitoba, $4,917,482 and Saskatchewan, $1,976,120.

The house-cleaning which took place among manufacturing industries is seen in the decline in the number of individual establishments reporting in 1924. In that year the number was 22,178, a decline of 464 from the number reported in 1923.

The total capital investment in the different industries coming under the head of manufactures increased from $3,390,322,950 in 1923 to $3,538,813,460 in 1924, a difference of $158,490,510 or 4.69 per cent. Fixed capital, comprising land, buildings, machinery, and tools, amounted to $2,310,298,012 and working capital, including materials and supplies on hand, finished products, stocks in process, and cash, trading and operating accounts, etc., to $1,228,515,448. The average capital per establishment increased from $143,929 in 1922, to $149,295 in 1923 and to $159,564 in 1924.

Materials used during 1924, whether in the raw or partly manufactured condition used in the various processes of manufacture during 1924, was $1,438,409,681. This is a decrease of $31,730,458 as compared with the preceding year. By deducting the cost of materials from the gross value of production, a net value of output amounting to $1,256,643,901 is shown for 1924. This added value represented 46.6 per cent. of the gross value in 1924 and 47.1 per cent. in 1923.

The number of persons employed in manufacturing in 1924 was 516,177, a decrease of 17,732 from the previous year. These people were paid $561,369,467 in salaries and wages. Compared with 1923, there was a decrease of nearly $12,000,000.

An interesting feature of the report is that despite the fact there was a decrease in value of production, number of plants and employees, the cost of fuel used in Canadian manufacturing industries showed very little difference from the figures of the previous year, while the amount of power installed recorded a substantial increase, indicating that manufacturers are relying more and more upon electricity rather than fuel for their requirements. During 1924 the total horsepower installed was 5,556,087, as compared with 4,720,320 horsepower in the preceding year.

LOWER PRODUCTION OF IRON AND STEEL

Year 1925 Marked Recession From Previous Year in Output

Final statistics on the primary iron and steel industry in Canada in 1925 show an output valued at $32,909,463, marking a slight recession from the production value of $33,553,443 in the previous year. Analysis of the output by provinces showed the distribution to be as follows: Ontario, $19,920,249; Nova Scotia, $6,967,662; Quebec, $4,597,849; Manitoba and British Columbia, $1,423,703.

Blast furnace production of pig iron last year totalled 570,766 long tons, a decline of 3.7 per cent. from 593,049 tons of 1924.

There were 15 plants engaged in producing steel ingots and direct steel castings, production last year amounting to 752,503 long tons, an increase of 14 per cent. over the 659,767 tons reported for 1924.

There were 13 iron and steel rolling mills operated in Canada during 1925, of which Manitoba had 1; Nova Scotia, 2; Quebec, 4; and Ontario, 6.

Products of the rolling mills sold during 1925 included the under-mentioned articles at approximate values as given: steel rails, $9,000,000; iron and steel bars, over $8,000,000; railway tie and fish plates, $2,200,000; blooms, billets and slabs, $1,500,000; sheets (No. 14 and thinner), $1,350,000; wire rods, $1,000,000; spikes, $600,000; horse and mule shoes, $500,000. In addition there were sales of structural shapes, nails, tacks, washers, pole line hardware, etc.

This industry represented a capital investment in Canada last year of $80,757,625, afforded employment to an average over the year of 4,946 people to whom was paid $7,079,099 in salaries and wages, and by manufacturing processes added $17,402,086 to the value of purchased materials which cost $15,507,377.

Iron and Steel Show That Business is Better

Enormous advances in activity are being made in Canadian iron and steel plants. This is shown by the improvement in production of the basic pig iron and steel ingots.

Production of pig iron in Canada at 64,187 long tons in September was almost double the 34,609 tons in September of a year ago. This month's output showed a 9% increase over August which in turn was 13 per cent. under the 67,282 tons reported for July.

For the nine months ending September the cumulative production of pig iron totalled 561,063 tons as compared with 372,960 tons in the corresponding period of last year.

Production of steel ingots and castings in Canada rose to 58,837 long tons in September, marking an increase of 29 per cent. over the 45,674 tons of the previous month. In September, 1925, the production companies reported an output of 35,833 tons of ingots and 1,261 tons of castings.

For the first nine months of this year the cumulative production totalled 600,542 tons or slightly more than the 581,711 tons made during the corresponding period of a year ago.

AN EXCEPTIONAL YIELD OF WHEAT

EDMONTON.—An exceptionally heavy wheat crop is reported from Irma, Alberta, about 100 miles southeast of here. A. G. Walker had three and one-third acres of well-matured summer fallow land sown with Prelude wheat.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925	
Car loadings, week Oct. 9	78,104	73,417+	6 %
Year to date	2,390,605	2,163,831+	10%
Merchandise shipped, year to date	634,287	595,370+	6%
Building permits—September (63 cities)	11,036,359	10,140,853+	8%
Construction contracts awarded, September	20,760,600	29,746,000—	30%
Railway Earnings—Eight Months—			
C.P.R. gross	118,456,380	105,765,016+	12%
C.P.R. net	22,183,198	15,368,302+	44%
C.N.R. gross	165,783,341	146,661,997+	13%
C.N.R. net	20,829,074	8,385,691+	148%
Pig Iron Output—tons, September	64,187	34,609	
Steel Ingot production, September tonnage	58,537	45,674	
9 months to September 30	600,542	581,711	
Employment—September index	104.9	96.6	
Newsprint production—September tonnage	151,387	124,704+	20%
Automobiles produced —(Eight months to August 30)	155,000	114,000+	35%
Immigration, 6 months to June 30	70,253	43,241+	63%
Business failures—No. of firms, August	115	134	
Liabilities, August	1,971,664	2,215,962—	12%
Imports of key commodities, 12 mos. ending August 30—			
Rubber (raw, in pounds)	46,189,124	38,893,355+	19%
Cotton (in pounds)	135,273,867	112,347,584+	20%
Crude petroleum (in gallons)	601,312,867	499,059,190+	20%
Exports of key commodities (12 mos. end. Aug. 30—			
Canned salmon, lbs.	637,386	770,055—	17%
Newsprint, cwt. (12 mos. end. Aug. 30)	32,384,966	26,314,055+	23%
Wheat flour, bbls. (12 mos. end. Aug. 30)	10,671,368	10,228,177+	4%
Wheat, bushels (12 mos. end. Aug. 30)	269,761,912	154,110,268+	75%
Grain receipts, Aug. 1 to Oct. 8	57,986,717	84,802,203—	31 %
Bank clearings, September	1,381,459,868	1,328,776,934+	4%
Savings deposits, Aug. (chartered banks)	1,343,116,753	1,268,554,097+	5%
Current loans, Aug. (chartered banks)	945,274,265	903,717,736+	4%
Exports, 12 months to August 31	1,323,180,712	1,130,753,557+	17%
Imports, 12 months to August 31	976,886,332	837,787,939+	16%
Balance of trade, 12 months to August 31	346,294,380	292,965,618+	18%
Price level, September index, 236 commodities	152.5	156.2	
Cattle—Good, Toronto, Oct. 18	$7.00	Oct. (Aver.)	$6.97
Wheat, No. 1, Nor. Winnipeg, Oct. 18	1.44	Oct. (Aver.)	$1.27
Pig iron (Number 1 foundry) Sept.	$24.80	Sept. (Aver.)	$27.25
Hogs—Select, Toronto, Oct. 18	$12.25	Oct. (Aver.)	$12.68
Bond sales, September	$55,483,924	$165,145,772	
Life Insurance Sales, seven months	268,918,000	244,764,000+	8%

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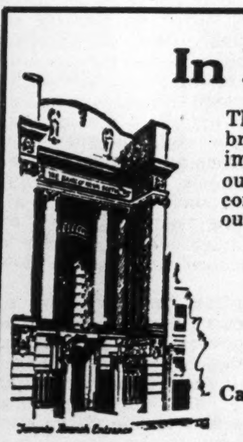

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Total Assets, $240,000,000.

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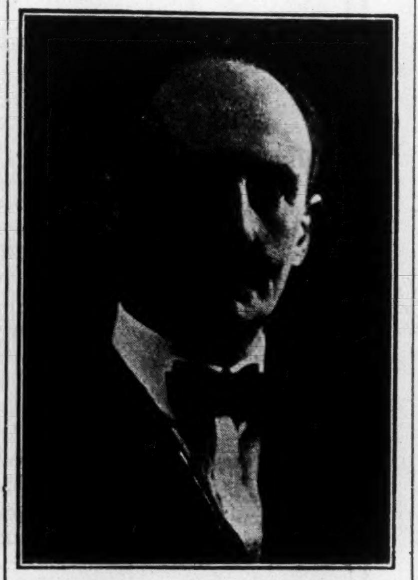
Exhibition Train Through British Isles Would be Stimulus to Our Trade

By SENATOR C. P. BEAUBIEN



SENATOR C. P. BEAUBIEN, who conceived the idea of an itinerant train to tour France and who carried through the project with much success and who now proposes a similar traveling exhibition of Canadian opportunities, to tour the British Isles in 1927.

It cannot be gainsaid that the Canadian Exhibition Train that toured France and Belgium accomplished much for Canada.

It drew tremendous crowds in its wake.

In a striking manner, it brought home to an entirely misinformed public the resources, beauty and grandeur of Canada.

Without expense, it mobilized the entire press of France and Belgium and, through the big dailies of Paris and Brussels, reached out to the very remotest countries of the earth.

Under the most trying conditions imaginable, it increased our exports materially to both these countries.

Notwithstanding all precautions to prevent it, it created a strong desire in the masses to emigrate to Canada.

Cost But Hundred Thousand

All this was accomplished in a minimum of time: five months in all. It cost also a minimum of expense: a shade over one hundred thousand dollars, viz., $100,505.22. The French government, it is true, provided the train equipment and conveyed the Canadian Exhibition and its personnel through its circuit of France. But Canada paid all expenses in Belgium ($10,000) and the entire cost of the exhibition in Paris ($30,000). It is well to bear in mind that the Canadian Train really comprised three exhibitions: one made up of the journey of the train through France, another of its circuit through Belgium, and the third of a fixed exhibition in Paris.

Compared to the Panama Pacific exhibition which cost us $690,000, and the Wembley exhibition, which exceeded $2,250,000, the expense of the Canadian train was, indeed, a very modest one.

If this new formula of national propoganda performed that much under adverse, almost impossible, conditions, what could it not accomplish in the British Isles?

Better Conditions in Britain

The British market is not hidden behind breast-works of protective duties. It is widely open to us. The British currency is not worth 15% of its normal value, it is firmly established on a gold basis.

Our goods are favorably known and sympathetically received in the mother country. Already she buys from us, yearly, about $400,000,000. Besides, England is our most desirable and willing source of supply for immigrants. The British government is anxious to dispose of its surplus population and is now contributing freely to the training of agricultural settlers for the Dominion.

A train displaying attractively a full line of exportable goods to Great Britain and a clever presentation of our varied, unlimited and undeveloped resources, will do more in a few months than all our past efforts, for years, to increase our sales to the British Isles and the importation of British stock to build up this country.

In fulfilling this double purpose, a third one, of no mean importance, would automatically be accomplished. It would be a decisive answer to those who insidiously slander and defame the Dominion.

Time and Cost of Project

The whole project could be prepared and carried out at leisure, in nine months.

The total expenditure would not exceed $200,000. Of this amount, much the larger portion, viz.: $150,000, would be capital expenditure required for the purchase of the equipment, which only requires some thirty motor-cars and trailers, all identical, of simple and inexpensive construction.

This equipment could be used for similar purposes in other countries, in Australia, New Zealand, etc. It might, with profit, tour the American middle-west for settlers, and the eastern states to stimulate tourism to Ontario, Quebec and the Maritime Provinces.

Who Should Pay Cost?

The total outlay should and could, no doubt, be apportioned between the Dominion and our two big railway systems, on the same basis as the train to France and Belgium, i.e., the government paying one-half and the railways, each one quarter. The British government would likely also assume a share of the cost.

All told, within less than a year and not more than a $200,000 outlay, we could reach every city and village in the United Kingdom and every class of its population.

What time, what amount, what army of men would it not require to accomplish as much by any other means?

Our participation at Wembley, no doubt, was useful to Canada. However, it could reach but the leisure class and immigrants are not recruited from the privileged few. The Train gets to everyone's doorstep. It appeals to all.

British Train Should Mean More

This new formula of propaganda is ours. The actual test of its effectiveness, the experience gathered thereby is ours.

There is no contingency to be foreseen. Just as we applied the formula to France and Belgium, so can we use it for Great Britain. As it has aroused the public, captured the press and mobilized everyone in authority, in France and in Belgium, so it will operate for us in the British Isles.

If, in the first experience against wind and tide, it increased our exports by more than $15,000,000, this time, with all conditions favorable, it should mean far more to us.

If, in a country refractory to emigration, it created a strong attraction for Canada, would it not bring forth immediately every available and desirable element in a country where, for generations, emigration is a necessity and where, naturally, it is directed to the British Dominions.

Must Gain Proper Recognition

Of course, as a national endeavor, it must be organized with befitting dignity by the Canadian government, with the collaboration of our two railways and with the assent and support of the British government, the British municipalities and chambers of commerce along the proposed itinerary. This was done in France and Belgium, and could, no doubt, be repeated in the Mother Country.

The project should also command the services of some of our most effective public speakers. Their cooperation would be handsomely rewarded by the fame which success would attach to their name, consecrated, so to speak, by the whole British press and public.

The present suggestion, so far, has been received with favor. Senator Dandurand, speaking in the senate, in the name of the government, stated:

"Verily, I believe that if we applied to Great Britain the system which was so successful in France, it would yield formidable results. I may say to my honorable friend that I am heart and soul with his idea, and will try to bring my colleagues in the cabinet, particularly the ministers of immigration and trade and commerce, to share my optimism."

Business Men Back It

Some little time ago, Mr. Beatty, president of the Canadian Pacific Railway, published an interview in which he commended the idea. The Canadian Manufacturers' Association, on the 11th of March, 1925, passed a resolution unanimously endorsing the venture. The Board of Trade of Toronto, on the 25th of March, 1926, has given it their full approval. A good many boards of trade and chambers of commerce, throughout the country, have done likewise.

The idea is germinating; the evidence of sustained public interest will naturally bring it to fruition. Indeed, where there is so much to gain and so little to risk, why not venture?

How the Canadian Exposition toured France. When the train stopped in a town the sides of the vans were turned down, revealing exhibits of Canadian resources and commodities. Thus the exhibition was taken to the people.

Alberta Sugar Factory Consuming Big Beet Crop

LETHBRIDGE.—The Raymond sugar factory, built last year by Canadian Sugar Factories, Ltd., Canadian subsidiary of the Utah-Idaho Sugar Co., is well into its second annual run. A thousand tons of beets are being sliced daily and Raymond sugar is supplying to a considerable extent the Alberta market. Marketing is concentrated in Alberta at the present time. The beet crop will aggregate around 60,000 tons this year and it is expected that growers will receive about $7 a ton for their product. Beets are averaging 12 tons to the acre. The beet by-products are being extensively used in lamb and steer feeding; a thriving industry is being built up around the factory.

A Heavier Wool Clip Is Being Estimated

Eleven million pounds is the estimated wool clip of Canada for 1926, as compared with ten millions in the previous year, says a bulletin issued by the Canadian Co-operative Wool Growers' Association. This increase is the result of more sheep being raised in the Dominion, particularly in Alberta and Quebec. This only includes the wool removed from mature breeding sheep, no account being taken of that considerable portion from lambs which is known as "pulled wool." Generally speaking, it has been removed in good condition, and there is every indication that gradually sheep men in this country are turning out a superior product. Since the buying of wool has been placed on a graded basis it is only occasionally that a clip now reaches the market tied with binder twine or otherwise unsuitable for sale in direct competition with the main grades from other countries.

Since 1921 there has been an increased percentage of the total clip consigned by growers to their own marketing company for grading and sale on a collective basis. The present season is no exception with total receipts of 3,708,000 pounds compared with 3,270,000 for 1925. All provinces save those located in the Maritimes report an increase, with the biggest gain reported in Alberta, British Columbia, Saskatchewan, and Manitoba.

Wheat Exports Drop Due To Late Harvest in West

Wheat export figures during the past month reflect the late Canadian harvest and, in some measure, the holding off of any large purchases by European buyers, who are waiting for more definite news on the available supply of this commodity for the 1926-27 season before committing themselves.

During September, exports of wheat from this country totalled 10,575,373 bushels, valued at $15,873,256, as compared with 15,876,133 bushels in September, 1925, valued at $22,804,256. For the two months of the present crop year—August and September — shipments amounted to 20,116,230 bushels, valued at $30,310,080, compared with 31,212,156 bushels valued at $45,797,967 in the corresponding two months a year ago.

Of this year's exports in the two-month period, 15,800,818 bushels were exported to the United Kingdom. Nearly half the amount went via United States ports.

Car Loadings Still Show Upward Trend in Canada

Car loadings last week 78,104 cars
Same week last year 73,417 cars

Car loadings last week showed an increase over the previous week of 788 cars, practically all of this being made in the eastern division. Grain increased by 1,118 cars, being the heaviest so far this year, merchandise was heavier by 425 cars and pulp and paper by 275 cars. Decreases were shown by live stock, coke, lumber, other forest products and miscellaneous freight.

Compared with the corresponding week in 1925, total loadings were heavier by 4,687 cars. Grain loading was relatively light during October last year, the increase this year being 903 cars. Coal increased by 1,257 cars and merchandise by 2,638 cars. Live stock as lighter by 1,208 cars and lumber was lighter by 171 cars, but all other commodities showed increases.

CONDEMNS C.N.E. AS ONLY BIG CIRCUS

But Most of British Manufacturers Were Ready to Renew Their Displays

Declaring that the Canadian National Exhibition was a gigantic circus and nothing more, a prominent English manufacturer of cutlery, while visiting in Toronto this week, greatly discounted the value of the world's greatest annual fair insofar as providing help to the manufacturer in introducing a new line of products to this country was concerned.

This particular English manufacturer is just now undertaking distribution of his products in Canada for the first time and his representation is by no means complete. He has had much experience invading foreign markets such as France, Switzerland, Netherlands and other countries, but his experience with Canada has been entirely unique and, according to him, it has been very disappointing.

Discussing the subject with Hardware and Metal, this manufacturer stated that once a group of distributors have been established for a line, there are undoubted advantages in the Exhibition for general publicity purposes to assist these distributors, but he feels that the exhibition in its present form is of little use as a trade fair and that there should be no hestitation in making this point clear so that there will be no misapprehension among manufacturers. He makes the suggestion that a trade fair or a series of trade fairs should be held throughout Canada for the purpose of bringing manufacturer and distributor closer together and of providing a foreign manufacturer with an opportunity to show his merchandise to best advantage and establish connections with Canadian agents. He suggested that the British Government might be agreeable to rendering financial assistance to such a project in the interests of popularizing Empire products.

In reply to the accusation that the Canadian National Exhibition did not present the proper trade opportunities to British manufacturers wishing to establishe a trade in Canada, Manager J. G. Kent of the C. N. E. looked up his official records and stated that over 75 per cent. of their British manufacturers who exhibited for the first time repeated the next year. This was apparently clear proof that the British manufacturers had obtained benefit from their Toronto exhibits.

Merchant Marine Does Better

MONTREAL.—It is announced by the management of the Canadian Government Merchant Marine, Limited, that the conduct of the company for the first nine months of 1926 shows an operating profit of $7,225.41, whereas for the same period of 1925 an operating loss of $816,114.84 was sustained. A comparison of the two periods indicates an improvement in so far as 1926 is concerned, of $893,340.25 in the operation of the fleet of 48 vessels as presently constituted.

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Securities Markets

FURTHER SELLING CONTINUES THE DOWN MOVEMENT

Outside Influences Felt to be Cause of Speculative Reaction

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Oct. 20	90.4	87.8
Week of Oct. 13	91.2	88.4
Month of Oct., 1925	81.1	73.5
9 Bank Stocks		
Week of Oct. 20	$225	$223
Week of Oct. 13	224	223
Month of Oct., 1925	221	215
10 Public Utilities		
Week of Oct. 20	98	96
Week of Oct. 13	98	96
Month of October, 1926	93	89

The reaction in the market for Canadian stocks has continued during the week but it has not been by any means general nor has it given the impression of a definite trend to lower levels. The general feeling is that the selling in New York, which has been followed by a very drastic marking down of values, has had a sentimental influence on the more speculative of the stocks on the Canadian boards. However, there is no indication that in Canada the era of better business has been more than entered upon as yet, and no real reason for a downward trend is to be found in industrial or trade conditions. In the United States, with the collapse in the cotton market, the decline in building and apprehension as to an oversold situation in the automobile industry, there is more reason to fear that a long period of adjustment is being entered upon as a reflection of a period of business depression. In that event the Canadian market may fail to respond to speculative influences which on the basis of Canadian conditions alone would lead to higher prices. However, there is not unanimity as to the business outlook in the States. Offsetting the developments referred to is the fact that there has been little or no over-stocking of materials or commodities and there is little indication of a serious industrial reaction. Much will depend upon the soundness of the credit situation and whether another cycle of buying can be justified as a continuation of the wave of prosperity being enjoyed by a country whose ability to create buying power has not yet been tested since a world upheaval which made her the most wealthy of the nations.

In the Canadian markets the banks, the papers and the tractions have shown a majority of losses but the steels, foodstuffs, textiles and utilities have held their position very well and in a number of instances gains have been recorded. Following is a summary of the week's changes by groups:

	Gains	Losses	Unch.	Ttl.
Banks	1	4	4	9
Paper	1	7	6	14
Steel	7	7	19	33
Foodstuffs	11	12	18	41
Utilities	12	7	8	27
Tractions	2	7	5	14
Textiles	4	2	8	14
Industrials	7	10	31	48
Totals	45	56	99	200

In the paper group losses were general. Practically all along the line prices were marked down. It is evident that there is again apprehension as to over-production in view of the number of new units being completed for early operation, and the fact that the trend of the New York market would seem to indicate the possibility of a general business reaction which would undoubtedly be reflected in the consumption of newsprint and other paper products.

Steel Company of Canada, the recognized leader of the Canadian steel group, gained fractionally during the week and this indicated the general situation in this group of stocks in which advances and declines were equally divided. The changes generally were not very important. Russell Motor was an exception, advancing sharply to 50.

In the foodstuffs group the milling stocks held very well without important changes. Ogilvie was stronger on the publication of what should prove a satisfactory annual report. Western Canada sold a point lower and St. Lawrence a point higher. Lake of the Woods was down four points. Changes in the merchandising and chain store stocks were not important. Atlantic Sugar and B. C. Fishing did somewhat better. Canada Bread sold off. Canadian Bakeries preferred advanced a point on the publication of a report showing satisfactory progress. City Dairy sold lower.

In the utilities section Brazilian Traction was the centre of interest, continuing to sell off rather sharply from the high of the recent movement and then showing a tendency to recover. Twin City was weak, selling down to 58 before buying set in to cause a mild recovery. Barcelona, Ottawa Traction and Duluth-Superior sold off moderately. Montreal Tramways declined to 15 compared with a high for the movement of 190. Winnipeg Electric gained a point. Changes in the power utility stocks were not important but the strength of this group was well maintained.

Penmans and Montreal Cottons were strong members of the textile group making substantial gains. The conditions in the cotton market are having some effect in regard to the cotton textile industry.

General industrial stocks showed few more losses than gains. F. N. Burt sold down to 53, which compares with a high for the year of 67½. Canada Cement was fractionally stronger. Dominion Glass sold off to 81 compared with a high for the year of 105. Other changes were not important or particularly significant.

In the bank stocks, Commerce, Imperial, Nova Scotia and Standard sold off. Toronto was the one bank to show a gain in price.

Penman's Bond Issue Is to Be Refunded

MONTREAL. — Penmans Limited is calling a special general meeting of shareholders at the head office in Montreal, Oct. 26, to consider, and if deemed advisable sanctioning, by-laws in connection with refunding of the $2,000,000 5 per cent., 20-year first mortgage bonds due Nov. 1, 1926. At a recent meeting the directors authorized the issue of first mortgage sinking fund bonds not exceeding $2,000,000, sinking fund to be sufficient to retire bonds at date of maturity. The terms of the new bond issue are not yet announced.

This announcement settles a question that has for a long time been a matter of conjecture. It was believed in some circles that the maturing bond issue would be retired partly out of cash assets.

Steamships Preferred Was Well Taken on the Decline

During last week's reaction very little Canada Steamships Lines preferred stock made its appearance, such offerings as did come on the market being absorbed within a point or so of the high. It was, in fact, one of the least affected stocks of the list during the reaction.

With the closer approach of the time for exchange of shares which will give the holder of 100 of the present shares 120 shares of the new preferred, the stock was quick to respond to the better tone of the market. It was in good demand, and advanced 1¾ points to 90, being 89¾ bid and 90 asked at the close.

A.J. Pattison, Jr. & Co.
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Toronto Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
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Sterling Appraisal Company Limited
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RUSSELL MOTOR EARNED ABOVE DIVIDEND PAID

Budget Announcement Had Disturbing Effect Temporarily

The Russell Motor Car Company in the year ending July 31, showed net profits of $118,701, as compared with $115,504 in the previous year. The point is made by T. A. Russell, the president of the company, that the showing would have been more favorable from the standpoint of the shareholders but for the unsettlement of business due to the proposed budget changes in April resulting in a somewhat disappointing showing for the second quarter which should always be the most profitable in the year. He adds that the budget as finally adopted in June included amendments which materially corrected some of the difficulties created by the original proposal. In looking ahead he says that the directors are now hopeful that the company will continue a satisfactory and profitable growth in the future. The export business is continuing to expand and with the new model recently introduced by the company promises to be an important source of profits.

The foregoing has particular reference to the affairs of Willys-Overland, Ltd., for which, together with the Canada Cycle & Motor Co., and the Canadian Acme Screw and Gear, Ltd., the Russell Motor Car Co., is the holding concern. The company paid its preferred dividends and 3 per cent. on the common announced at the close of the financial year. The following summary from the profit and loss account indicates that the earnings were somewhat greater than the dividends paid:

Profit and Loss

	1926	1925
Net gain for year	$118,701	$115,504
Balance forward	520,037	488,533
	$638,739	$604,037
Preferred dividends	$ 84,000	$ 84,000
Common dividend	24,000	.....
Balance	530,739	520,037
	$638,739	$604,037

Comparative figures from the income account since 1913 follow:

Income Account

	Net Profits	Dividends	Year's Surplus
1913	†$152,826	$112,000	†$264,826
1914	No report issued		
1915**	30,402	......	†741,672
1916	499,354	......	†204,009
1917	643,591	*392,000	251,591
1918	628,581	140,000	488,581
1919	457,878	140,000	317,878
1920	339,453	140,000	199,453
1921	158,124	140,000	18,124
1922	117,500	116,000	1,500
1923	90,552	84,000	6,552
1924	92,863	84,000	8,863
1925	115,504	84,000	31,504
1926	118,701	108,000	10,701

*Including accrued pref. dividends of 26¼ per cent. due in former years.
†Deficit.
**Two years ended July 31, 1915.

The record of earnings per share is summarized as follows:

Earnings Per Share

	Preferred	Common
1913	....	....
1914	....	....
1915	....	....
1916	41.61	51.92
1917	52.63	69.95
1918	52.38	68.07
1919	38.16	46.73
1920	28.29	31.93
1921	13.18	9.26
1922	9.79	4.19
1923	7.55	0.82
1924	7.74	1.11
1925	9.62	3.94
1926	9.98	4.33

The improvement in the company's affairs recently has been marked by a considerable advance in the market for the preferred and common shares this year as shown in the following summary:

Stock Market Record

	Common		Preferred	
	High	Low	High	Low
1913	91	32	100	25
1914	20	5	49	25
1915	51	9	79	25
1916	114	32	139	60
1917	95	50	122	72
1918	90⅞	55	91½	68¼
1919	102½	68	102	70
1920	89	70	98	40
1921	..	..	65	46
1922	50	26	60	49
1923	36	17	75	47¾
1924	35	17½	80	48
1925	44½	24	88	74½
1926	50	39	93	76

According to Mr. Russell the Canada Cycle & Motor Co. again showed a slight increase in earnings. Business during 1926 is slightly less than for the same period of 1925 and profits for the year may not be quite equal to those secured in that year. The company is giving increasing attention to the growing demand for children's bicycles, tricycles and other vehicles. The Canadian Acme Screw & Gear Co., closed this year with a small profit after provision for depreciation. During the present year the company has expanded its line of manufacture and the management believes that the business has now been established on a basis to ensure satisfactory future.

Change in Company Year

At the annual meeting of the Russell Motor Car Co., to be held October 28, a by-law will be submitted changing the fiscal year from July 31, to December 31, to conform with the fiscal years of the three companies in which it is principally interested.

The balance sheet shows the assets of the Russell Motor Car Co. to have been reduced by a matter of $10,000 during the past fiscal year, these now standing at $3,053,402. But, whereas the company had bank advances a year ago amounting to $46,000, none of these are in evidence in the statement issued at the present time. Accounts payable have increased by about $100, but only aggregate $3.243. The contingent account stands unchanged at $216,075. The profit and loss account has been increased by $10,000 and now amounts to $530,739.

Ore receipts at the Trail Smelter of the Consolidated Mining & Smelting Co., for the period Oct 1 to Oct. 7 inclusive, totalled 9,161 tons, and for the year to date 443,206 tons.

INTEREST IN BEVERAGE STOCKS FOLLOWING FERGUSON POLICY

(Continued from page 1)

thought to be more than 25 per cent. of the total. Market gossip says that earnings are up at present to $7 or $8 per share. Dividend on the old stock was $6 per share, or 60 cents on the new. The market for the new is about $34. Never in the history of the company has the distribution of the stock been so wide.

A meeting of the directors will be held in a few weeks. At the moment nobody knows what the intentions are as regards dividends. Doubtless the market will be disappointed if less than $2 per share will be announced.

Rumors on G. & W. and Canadian Industrial Alcohol have been wide and varied. In one quarter it was hinted that Canadian Industrial Alcohol was to absorb G. & W. Another rumor was that G. & W. would abandon dividend altogether, so as not to give the public nor the government an inkling as to earnings. Both of these rumors seem absurd. It does appear unfortunate that public is so ill-informed, when it is so keenly interested in the developments. Yet, no doubt, the companies have good reasons for not making their statement public. At the moment nobody knows what is going to happen either to the group or to the individual companies.

The element of risk in beverage stocks is great, since the business is so much in the public eye and subject to political influences to an extensive degree.

Famous Choir Leader Held Many Securities

National Trust Co., is applying for probate of the will of the late Dr. Augustus Stephen Vogt, of Toronto. The estate, which amounts to $179,419, includes the following securities:

Stocks: American Water Works & Electric Co., $5,200; United Fruit Co., $11,600; United Light & Power Co., $4,000; Twin City Rapid Transit, $1,687; Tooke Bros., Ltd., $720; Southern Canada Power Co., $5,000; Southern California Edison Co., $4,925; Standard Gas & Electric Co., $5,200; William A. Rogers Co., $5,580; Page-Hersey Tubes, Ltd., $1,040; Philadelphia Co., $5,000; Porto Rico Railway Co., $2,670; Public Service Corporation of New Jersey, $5,400; Ottawa Light, Heat & Power Co., $1,020; Ottawa & Hull Power Co., $980; Northern States Power Co., $4,080; North American Co., $5,000; Maple Leaf Milling Co., $3,800; Missouri Pacific R.R. Co., $2,325; Louisville Gas & Electric Co., $1,200; Gilman Fanfield Corporation, $2,600; Goodyear Tire & Rubber Co., $3,720; Famous Players' Canadian Corporation, $1,840; Consumers' Gas Co., $2,565; Canada Northern Power Corporation, $919; City Dairy Co., $2,700; F. N. Burt Co., $13,440; Bell Telephone Co., $1,674; American Power & Light Co., $4,825; American Light & Traction Co., $4,825.

Bonds: Spanish River Pulp & Paper Mills, 6%, $2,107; Spanish River Pulp & Paper Mills, 8%, $2,180; Associated Gas & Electric Co., 6%, $1,022; Wayagamack Pulp & Paper Co., 5%, $1,008; Maple Leaf Milling Co., 6½%, $1,028; Province of Ontario, 6%, $3,263; Dominion of Canada, 5½%, $7,447; Ottawa River Power Co., 6½%, $1,019; Alexandra Apartments, 6½%, $1,012; Canadian Bakeries, 6½%, $1,015; British Columbia Pulp & Paper Co., 6%, $780; British Columbia Pulp & Paper Co., 7%, $560; Quebec Southern Power Corporation, 6½%, $994; Port Alfred Pulp & Paper Corporation, 6½%, $1,030; Minnesota & Ontario Paper Co., 6%, $1,007; Virginia Public Service Co., 6%, $977; Empire Gas & Fuel Co., 6½%, $990; Mattagami Pulp & Paper Co., 7%, $1,800; Village of South River, $630; Town of Athabasca Consolidated Debt, $592; Toronto Conservatory of Music, 2%, $300.

Invest to Build Canada

Ottawa River Power
6½% Bonds
due 1953

Supplies power in the city of Ottawa under contract with the Hydro - Electric Commission at Ottawa and the Ottawa and Hull Power Co. Limited

Price 103.25 and Interest to yield 6.25%.

IN the flush of prosperity it may be well to consider the necessity of building an income through investment in securities that afford safety of funds with broad potentialities. Prosperity has come to Canada and to Canadian investors through the development of water power resources, hitherto dormant.

The securities of the leading water power companies are attractive, not only to Canadians, but to the investors of other countries.

Those with surplus funds for investment cannot do better than to investigate the return and future possibilities of several of the most prominent of these companies.

Every progressive citizen of Canada should have a part in the development of the country's basic industries.

Complete information upon request. Write our nearest branch.

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LIMITED
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515

The Mountain View Apartments of Hamilton, Ont., which was financed by Dickson, Jolliffe & Co., is practically completed, and rentals are well over 50 per cent. Earnings from leases already signed will show a comfortable surplus over first mortgage bond interest and operating expenses.

BRAZILIAN

To What Extent Has the Company's Situation Been Changed by Recent Developments?

We have prepared a special analytical circular in which the position of the company and the outlook for the common stock are discussed in the light of the recent change in the exchange situation.

Copy supplied on application.

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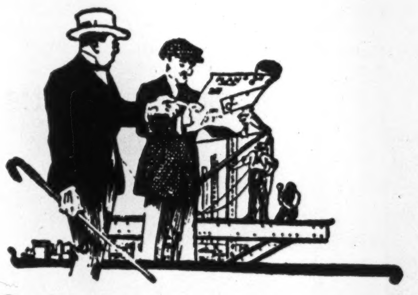
Why Insure the Desk—

but—take chances on the man?

What Would It Cost to Replace these Four Men?

1 He is the financial expert who keeps the business on a sound basis.

2. As a Business Getter he could hardly be replaced.



3. His technical knowledge is invaluable.

4. As an Organizer he is the Soul of the Business.

As a matter of course your office furniture is insured against fire loss—a wise precaution.

But fire is only a possibility,—and furniture is easily replaced.

What about the brains of your business?

They are not so easily replaced, and there is no "salvage."

For that reason Business life assurance is even more essential than fire insurance protection.

The loss of a valuable man through death very often occurs at the most inopportune time. It brings a business face to face with many perplexing problems, which if not anticipated and the risk covered, may mean serious impairment or great loss.

A Canada Life

COMMERCIAL PROTECTION POLICY

anticipates business difficulties. It provides cash when most needed. It helps to steady the business; sustains its credit; and takes care of the matter of replacement and readjustment with least sacrifice to anyone.

It is the only safeguard against an "inevitable hour" which may bring disaster.

We have some worth while suggestions to offer.

All communications treated with courtesy and received in strict confidence.

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9

C.P.R. AVERAGED $112 PER SHARE FOR ITS STOCK

Mr. Beatty Tells Americans Why Road Can Make Its Showing

QUEBEC.—With railway rates, both passenger and freight, in the main less than those for similar commodities in the United States, and in some cases, such as grain, lower by a substantial percentage, the Canadian Pacific Railway, it was pointed out by President E. W. Beatty, in addressing the Investment Bankers of America, is able to make very satisfactory returns to its shareholders, despite the fact that the rates *paid to employees in every branch of the service and the cost of rails used and other material required are higher than in the case of railway lines in corresponding territory in the* United States. How was this possible? He attributed the achievement primarily to a policy of keeping down fixed charges while extending rails in new productive territory and improving the standard efficiency of the property as revenue warranted; aided by the economies attending the long haul over its own rails to its own terminals, with none of the heavy tolls for handling, switching and kindred services that other companies are required to bear, creating the opportunity to make the maximum use of its own equipment with the consequent saving in the cost of car hire and the lesser amount required for general and traffic expenses as compared with any combination of competing lines to the south.

Mr. Beatty thus summed up the operating advantages of the Canadian Pacific after he had given an interesting review of the successful way in which the very sound and substantial financial foundation of the great system had been laid. This story should be of interest to every shareholder and the financial community generally:

In order to avoid a policy that would lead to a variety of securities in the shape of bonds issued or assumed by the company with reference to acquired properties or created and issued to furnish money for new lines, each secured by mortgage on the particular property to which it applied, the company decided with the consent of parliament, to utilize consolidated debenture stock for the purchase or conversion of existing bonds, and to provide funds for building or acquiring such additional mileage as might appear to be required from time to time for the advantage of the country and the company itself. This consolidated debenture stock is perpetual and irredeemable, differing from a mortgage bond in that it gives no right of foreclosure in the event of default, but being a statutory first charge against the undertaking, railways, works and revenues of the company. The holders have first claim on the revenues of the company for the semi-annual dividends after working expenses and taxes and the demands of existing bondholders have been satisfied. If, by any chance, the company failed to pay, within a fixed period, the dividend accrued on the debenture stock, the holders of the stock would become the shareholders of the company and would control its affairs until the default was made good, when the property would automatically pass back to the preference and ordinary shareholders.

The second financial characteristic distinguishing the company is that in the twenty-five years just passed, the shareholders accepted $195,000,000 of common stock, for which they paid $262,000,000. The original common stock of the company, amounting to $65,000,000, was sold at a heavy discount, but notwithstanding this, the entire $260,000,000 of this stock now outstanding has yielded to the treasury in cash an average of $112 for each $100 of stock, and if the additional amount supplied for capital expenditure from the surplus belonging to the shareholders be taken into account, the shareholders paid an average of $143 for each $100 of stock they held.

Regarding the company's land grant of 25,000 acres, afterwards reduced to 18,000 acres, Mr. Beatty said that initial sales were unsatisfactory and prices yielded only $1.50 to $2.50 per acre. It was not until seventeen years after incorporation that buyers were attracted in any number. But the land grant had assisted the company in its earlier financing and forced upon it colonization and immigration policies without which the progress of Western Canada would have been discouragingly slow. Mr. Beatty drew attention to the fact that all the company's auxiliary enterprises such as telegraph, express terminals, warehouses, etc., were reserved and developed for the advantage of the shareholders and that the resulting profit in the company's exchequer was very substantial. None of these had gone to other corporations or to individuals connected with the company, and the same was true of land grants appertaining to lines taken over by lease or purchase, coal and metal mines, smelter and other assets all playing an important part in the annual balance sheet of the company which might also have been coveted and acquired by what are commonly known as "insiders," but not a penny was permitted to slip through such channels.

New Issue

Republic of CHILE

6% External Sinking Fund Gold Bonds

Due April 1, 1960

Principal and semi-annual interest payable in New York City in United States gold coin.

Comparison of Debt

	Canada	Chile
Population ..	9,200,000	4,050,000
Per capita debt	$285	$72

We offer and recommend these Bonds

Price 93¼ and Interest
Yielding about 6.50%

H. R. BAIN & Co. LTD.
Government, Municipal and High Grade Corporation Bonds
371 Bay Street, Toronto

RAILWAY EARNINGS

Canadian Pacific

Week end:	1926	1925	Change
Oct. 14	$4,644,000	$4,395,000	+$249,000

Canadian National

Week end:	1926	1925	Change
Oct. 14	$6,064,521	$6,218,089	—$153,568

BIG PACK FOR GOSSE CO.

VANCOUVER.—Word has been received here that the Gosse Packing Company's plant at Bella Bella, the only cannery still operating in the central division, has made the largest salmon pack in its history.

UNLISTED SECURITIES

	Bid	Asked
Can. Machinery, com.	5	7
Can. Westinghouse, com.	167	171
Cosgrave Brewery	5	6
Cos Imp. Mills, com.	15	16½
Dom. Power, pref.	99	..
Farmers Dairy, com.	50	..
Dunlop Tire, pref.	82	85
B. Greening Wire, pref.	92	95
Gunns, Ltd., pref.	29	31
King Edward Hotel, Deb. A	77	81
King Edward Hotel, Deb. B	57	61
Loew's Buffalo, pref.	55	60
Loew's London, com.	3¾	4¼
Pure Food, com.	32	34
Mount Royal Hotel, com.	4	5
Nat. Grocers, 1st pfd.	92	97
Nat. Grocers, com.	2	5
Willard's pref.	65	71
Capital Life 25% paid	21	25
Continental Life 20% Paid	37	..
Crown Life	125	..
Empire Life	25	30
Excelsior Life 29% Paid	59	65
Great West Life	450	..
Monarch Life 10% Paid	29	33
Mortgage Discount, pref.	6⅞	7¼
Ontario Equitable	21	25
Re-Insurance	21	25
Security Life 40% Paid	23	32

Stock Market Record

WEEK ENDING OCTOBER 19

	Div. Rate	Yield Oct. 18	High for wk.	Low for wk.	Close Oct. 19	Close Oct. 12	Sales for wk.	Range, 1926	
								High	Low
Banks—									
Commerce	12+1	5.85	223	220	220	223	254	226	214
Dominion	12+1	6.21	209¼	209	209	209	42	219	207
Can. Nationale	10	6.32	158	158	158	158	2	170	157
Imperial	12+1	6.43	206	202	202	206	142	215½	200
Montreal	12+2	5.18	271	269½	271	271	63	275	251½
Nova Scotia	16	5.48	291	289	289	291	27	300	281
Royal	12+2	5.53	254	252½	253	253	93	255⅛	248
Standard	12	6.31	192	189½	190	191	18	200	189½
Toronto	12	5.45	220	219	220	219	162	222	213
Paper—									
Abitibi, com. (no par)	4	4.49	91½	87½	89½	91	8330	98	70¼
Do. pref.	7	6.30	...	...	...	...	...	116	106¾
Belgo-Can.	7	6.86	102	101	101½	101	143	102	95¾
Brompton (no par)	.	...	36	34¾	35	35⅞	1790	38½	26
Laurentide	6	5.58	109	104½	106½	107	10936	114¾	81½
Price Bros., com.	2	2.77	72	70	70	73	245	76¾	57
Do. pref.	6½	6.37	102½	102	102	102	141	102½	95
Prov. Paper, com.	6+1	6.14	...	...	...	...	...	114⅛	100
Do. pref.	7	6.60	106	106	106	106	10	106½	100
Smith, Howard, com.	.	...	54	53¾	54	54	107	58¾	38
Do. pref.	8	7.92	100⅞	100½	100½	101	296	105	92¾
Span. River, com.	7	6.69	105	102½	104½	104½	1232	111¾	96½
Do. pref.	7	6.14	114½	114	114	115	120	120	108
Wayagamack	.	...	98	95	95	98	130	100	56
Steel and Steel Industries—									
B.E. Steel, com.	.	...	...	...	...	...	...	3½	¼
Do. 1st pref.	.	...	10½	10	10½	10½	35	30	9
Do. 2nd pref.	.	...	1½	1½	1½	1⅞	105	10¾	1
Can. Car. & Found., com.	.	...	40	37⅞	40	41	55	49	33
Do. pref.	7	8.61	82	81	82	84	410	88	78
Can. Fairbanks, pref.	.	...	...	...	...	...	...	60	60
C.G.E., com. (par $50)	.	...	...	...	...	...	...	58	47
Do. pref. (par $50)	7	6.25	57	56	56	57	110	60	53½
Can. Locomotive, com.	.	...	40	40	40	40	5	42	35
Do. pref.	7	7.93	88¼	87	88	87¼	101	89½	73
Canada Iron, com.	.	...	...	...	...	...	...	10	9
Do. pref.	.	...	...	...	...	...	...	42½	39
Can. Forgings, com.	.	...	...	...	...	...	...	15	8
Can. Forgings, pref.	.	...	...	...	...	...	...	63¾	41½
Dominion Coal	.	...	52	49	51½	51	207	52	40
Dominion Iron, pref.	.	...	...	...	...	...	...	24¾	5
Dominion Bridge	4	3.60	112¼	108½	110	108	2241	112¼	80
Dom. Radiator, pref.	7	6.89	...	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	16½	16½	16½	16½	25	25	10⅝
Ford Motor	10	...	...	...	...	...	...	622	500
McKin. Ind. c. (no par)	.	...	28½	28	28½	27¼	15	31½	15
Do. pref.	7	7.36	95	94⅞	95	95	200	95	87
Do. Voting Tr.	.	...	28	28	28	28	100	30¾	27½
Massey-Harris, com.	.	...	71	68½	68½	68½	375	73	40
Do. pref.	7	6.89	101¾	101	101½	101	167	102	93
N.S. Steel, pref.	.	...	...	...	...	...	...	25	25
Ontario Steel, com.	4+1	6.66	75	75	75	75¾	50	78½	60
Do. pref.	7	7.00	...	...	...	...	...	103	98
Russell Motor, com.	3	6.00	50	50	50	41	10	50	39
Do. pref.	7	7.67	91¼	91¼	91¼	93	25	93	76
Sawyer-Massey, pref.	.	...	...	...	...	...	...	13	5
Steel of Canada, com.	7	6.51	109	107½	107⅝	107¼	1314	109½	95⅛
Do. pref.	7	5.71	122½	121	121	121¼	139	123	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	19	18	19	19	475	26⅝	18
Do. pref.	7	7.95	88	88	88	87⅛	25	92	86½
Atlantic Sugar, com.	.	...	24	23½	24	23½	206	32⅞	21½
Do. pref.	.	...	80	80	80	78	10	88	75
B.C. Fishing	5	7.04	71¾	70	71⅞	70⅞	1250	78	57¼
Can. Bd. c. (no par)	$2.50	2.80	89¾	88½	88½	90	150	95	53
Do. pref. (A)	7	6.39	109½	109	109½	109½	53	112	105
Do. pref. (B)	7	6.63	105½	105¼	105¼	105½	35	107	96¼
Can. Canners, com.	.	...	12½	12	12	12¼	154	15	12
Do. pref.	4	6.15	66	65	65½	65½	597	70	60
Canadian Salt	8	6.40	125	124	125	125	41	145	124
Christie Bis. c. (no par)	.	...	...	...	...	...	...	63½	35
Can. Bak. c. (no par)	.	...	34½	34½	34½	34½	50	37¾	26½
Do. pref.	7	7.29	96	95¼	96	95	31	96¼	92
City Dairy, c. (par $25)	12	3.98	77½	75	75	77⅞	150	82½	65½
Do. pref.	7	6.30	111	111	111	110	10	112	107
Cuban Can. Sugar, com.	.	...	...	...	...	...	...	5	3
Do. pref.	.	...	24½	23	23	26	60	28	21
Dom. St., com. (no par)	$2.40	4.00	60½	60½	60½	60	20	68	56
Wm. Davies (A) (no par)	.	...	29¾	29¾	29¾	29⅞	10	87¼	27½
Inter. Milling, pref.	7	6.86	102	101	102	101	62	105¼	98½
Lake of Woods, com.	12	8.27	145	145	145	149	20	175	139
Do. pref.	7	6.03	...	...	...	...	...	118	115
Loblaw, com.	$1.00	2.22	45	45	45	46½	85	55	29¾
Do., pref.	7	6.68	104¾	104¾	104¾	104¾	4	104¾	100½
Maple Leaf Mill., com.	.	...	71	70	70	70	55	88	50⅛
Do. pref.	7	7.21	97	97	97	97	25	102	90
Ogilvie Flour, com.	5+5	2.73	185	182	185	183	197	200	165½
Do. pref.	7	5.93	118	118	118	118	85	125	117
Pure Gold Mfg. (no par)	50c.	...	...	...	...	...	...	23½	17½
Shred. W. New, c. (no par)	75c	5.66	53	53	53	53	265	54	47½
St. Law. Flour, com.	.	...	31¾	31	31	30	50	45	26
Do. pref.	7	8.59	81½	81½	81½	83¾	25	84	80
Viau Biscuits, com.	.	...	25	25	25	26½	100	28	18
Do. pref.	7	8.04	...	...	...	...	...	89	85
West. Groc., c. (new)	.	...	29½	29	29½	28⅛	94	30	24
Do. pref. (new)	7	9.33	75	75	75	75	5	80	62
Do. com. (old)	.	...	5½	4½	5	5	66	13¼	4
Do. pref. (old)	.	...	...	...	...	...	...	60	49
West. Can. Flour, com.	35c	...	24¼	23	23	24	102	24¼	18
Do. pref.	6½	6.53	99½	99½	99½	99¾	2	99¾	97⅝
General Utilities—									
Bell Telephone	8	5.77	138½	137	138	137⅛	525	141	136
Consumers Gas	10	5.78	173	172	173	172	151	183⅞	170
Inter. Util. (A) (no par)	87½c	...	30	30	30	30½	200	38½	30
Cedar Rapids	.	...	...	...	...	...	...	50	40
East Koot. Power	.	...	...	...	...	...	...	33	25
Jamaica Pub. Ser., pref.	7	7.29	96½	96	96	97	12	99¼	96
Laurentide Power	5	4.13	...	...	...	...	...	130	100
Mackay, com.	7	5.34	132	130	132	131	54	138½	129
Do. pref.	4	5.71	71	70	70	70	35	73½	68¾
Mexican Light, com.	.	...	33	33	33	30	50	33	29
Do. pref.	.	...	...	...	...	...	...	86	64
Mont. L. H. & P., com.	.	...	75	72	73	74⅞	20398	75	59
Do. pref.	.	...	50½	50¼	50½	50½	1505	50½	48½
Montreal Teleg. (par $40)	8	6.66	48	47¾	48	47	113	51½	47
Ottawa L. H. & Pr., com.	6	6.23	96¾	96½	96½	96¼	25	100	92
Do. pref.	6½	6.35	103	102⅛	102⅛	103	7	105½	100
Quebec Power, com.	6	3.63	166	162	165	162	469	171	113
Do. pref.	7	6.11	114¾	114½	114½	114¾	14	116	109½
Shawinigan	8	3.29	246	241½	243	242	1737	251	167½
Do. Rights	.	...	9½	8⅞	9⅛	9⅛	1861	10	6½
South. Can. Power, com.	$2.00	2.22	91	90	90	92	133	98	81
Do. pref.	6	5.94	101	100	101	100½	35	104½	99
Ottawa & Hull Pr., com.	.	...	...	...	...	...	...	30¾	25
Tractions—									
Barcelona (par $50)	.	...	38½	37½	38½	39¾	151	40½	26
Brazilian, com.	5	4.78	108½	99¼	103⅛	107¾	122407	128½	80
Do. pref.	6	5.74	...	...	...	...	...	108	97½
Detroit Un. Rly.	.	...	...	...	...	...	...	3½	1½
Duluth-Superior	.	...	29	29	29	30	50	33¼	25
Illinois Traction, pref.	6	6.00	100	100	100	100	20	100	96¼
Montreal Trams	10	5.40	185	185	185	189½	103	190	159
Ottawa Traction	4+1	6.84	73	73	73	74	33	74½	60
Porto Rico Rlys., com.	.	...	43	42½	42½	44	142	47	40
Do. pref.	7	7.82	89½	89½	89½	89½	5	91	85½
Twin City, com.	5	8.33	63	58	59½	63	2988	79½	58
Do. pref.	7	6.86	...	...	...	...	...	103	102
Winnipeg Elec., com.	1	...	58½	56	57½	56⅝	3960	60	45¼
Do. pref.	7	6.86	102	101	101⅝	101⅛	51	103	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	...	...	...	...	...	49	35
Can. Converters	7	7.52	94	93	93	94	71	95	90
Can. Cotton, com.	8	7.08	...	...	...	...	...	124	118
Do. pref.	6	6.48	94	94	94	92½	1	99½	92½
Can. Woollens, com.	.	...	...	...	...	...	...	8	4
Do. pref.	.	...	...	...	...	...	...	50	45
Dom. Textile, com.	5	5.55	91	89	89	91	1485	99⅛	89
Do. pref.	7	6.02	...	...	...	...	...	122	115
Monarch Knitting, pref.	.	...	81¼	81¼	81¼	80¼	2	90	80
Montreal Cottons, com.	6	5.19	115½	115½	115½	110	40	115½	102
Do. pref.	7	6.11	...	...	...	...	...	115½	110
Penmans, com.	8	4.44	180	179	180	177	515	191	173
Do. pref.	6	5.88	102¼	102	102	102	12	104½	101½
Wabasso Cotton	4	5.63	71	71	71	71	25	79	60
Trust and Loan—									
Central Canada	12	...	...	...	...	...	...	210	210
Can. Landed (par $50)	10+1	6.04	91	91	91	90½	8	100	90
Can. Permanent	12	5.70	210½	210	210½	210	36	211	202¼
Colonial Invest.	6	...	6½	6½	6½	6½	17	7	4
Hamilton Prov.	10	...	...	...	...	...	...	157	157
Huron & Erie	7+½	5.63	...	...	...	...	...	133	127½
Landed Banking	9	5.76	..	...	...	...	...	156	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.00	..	...	...	...	...	245	232¼
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	7.73	..	...	...	...	...	90½	85
Toronto Gen. Trusts	12	5.33	..	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.67	..	...	...	...	...	100	93½
Union Trust	7	6.79	103	103	103	103	5	103⅝	98
Transportation—									
Can. Pacific Rly.	10	6.17	168⅛	162	162	161	75	169	147
Can. Steamships, com.	.	...	27¼	26	27¼	27	962	30	11
Do. pref.	.	...	90	87¼	90	88	2986	91	56
Do. voting	.	...	26	26	26	26¼	260	29⅝	11
General Industrials—									
Amer. Sales c. (par $20)	4	6.06	...	...	...	...	...	70	54
Do. pref.	7	7.21	97	97	97	98	1	98	92
Asbestos Corp., com.	.	...	21¼	20	20½	20½	1392	24½	16½
Do. pref.	7	9.36	75¼	73½	74½	74	2212	79¾	62
Building Products, pref.	7	7.56	92½	92½	92½	92¼	12	98	88
Brant. Cord. pf. (par $25)	8	8.00	25½	25	25	25	595	27½	24½
Burt, F. N., com.	12	5.45	55	53	53	55	175	67½	50
Canada Cement, com.	6	5.58	107½	107	107	106¾	615	111½	98
Do. pref.	7	6.06	116	115	116	115	31	120	113
Dom. Rubber, pref.	7	8.75	...	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	$1.28	5.22	25	23½	24½	24⅛	19725	25	16¼
Crow's Nest Coal	6	8.95	67	66½	66½	68	62	85	51
Dom. Glass, com.	7	8.64	85¼	81	81	85¼	1190	105	81
Do. pref.	7	6.79	103	103	103	103	9	111	103
East Theat. c. (par $25)	.	...	...	...	...	...	...	30	18¾
Do. pref.	7	7.48	93	93	93	93½	30	93½	83
Famous Players, com.	.	...	21	19	21	20	91	20	11
Do. pref.	8	8.55	94	93	93¼	94	425	94¼	88
Gilman, com.	6	4.76	...	...	...	...	...	127⅛	104¼
Do. pref.	7	5.38	130	130	130	130	5	131	113½
Goodyear Tire, pref.	7+3½	7.36	95	94½	94¾	95	88	99¼	85
Holt Renfrew, pref.	7	7.86	...	...	...	...	...	90	84½
King Ed. Hotel	.	...	...	...	...	...	...	41	25
Kelvinator, c. (no par)	.	...	16	16	16	16	80	20½	14
Do. pref.	7	7.52	93⅛	93	93	93	24	94	88
Lyall Construction	.	...	...	...	...	...	...	48	20
Nat. Brew., c. (par $25)	4	5.83	69¾	65¼	67¼	67	12658	72	56
Do. pref.	7	6.73	...	...	...	...	...	110	104
National Brick, com.	.	...	...	...	...	...	...	12½	8
Do. pref.	7	10.76	65	65	65	65	40	72	60
Pacific Burt, com.	6	6.52	92	92	92	92½	35	110	90
Do. pref.	7	6.63	105½	105	105	105	10	110	102
Port Hope Sani., com.	3	...	...	...	...	...	...	100	74½
Do. pref.	7	6.86	102	102	102	102	10	105	99
Rogers, Wm., com.	.	...	60	60	60	60	40	67	45
Do. pref.	7	7.40	...	...	...	...	...	97	90
Sher.-Williams, com.	6	4.33	...	...	...	...	...	148	125
Do. pref.	7	6.08	116	114½	114½	116	14	116	110½
Sterling Coal	4	10.56	...	...	...	...	...	43	37
Tooke Bros., com.	.	...	...	...	...	...	...	8	8
Do. pref.	.	...	...	...	...	...	...	63½	56
Tuckett Tobacco, com.	4	6.25	64	61	64	64	110	65	58
Do. pref.	7	6.94	100⅞	100⅞	100⅞	100¾	10	105	100
Loew's, com.	.	...	37	36⅞	37	37	25	40	36
Do. pref.	.	...	92	91	91	92	25	93½	90
Woods Mfg., com.	.	...	...	...	...	...	...	48	38
Do. pref.	7	8.04	...	...	...	...	...	90	77¾
Standard Chem., pref.	.	...	9	9	9	9	250	9	9

THE CURB MARKET

	Div. Rate	Yield Oct. 18	High for wk.	Low for wk.	Close Oct. 19	Close Oct. 12	Sales for wk.	Range, 1926 High	Range, 1926 Low
Andes Pete.	.	...	...	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	35½	33	34½	33	1370	43¾	7
Beacon Oil	.	...	17¾	17½	17½	18¼	210	19½	14¼
Belding, pref.	7	8.75	80	80	80	80	10	101	75
Brit. Am. Oil (par $25)	10	4.38	57½	57	57	57	952	60	47
Can. Nor. Pr., com.	.	...	31½	31½	31½	30	3	31½	28
Can. Oil, com.	1¼	5.55	...	...	...	...	...	91	65
Do. pref.	8	7.11	...	...	...	...	...	114	109
Cockshutt, pref.	.	...	69	68½	68½	70	80	73	57¼
Continental Oil	$1.00	...	...	...	...	...	...	26	19⅝
Dom. Eng.	.	...	...	...	...	...	...	120	65
Dryden Power (no par)	.	...	11	10	10¼	10	167	12	5½
East Engineering	.	...	...	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	...	...	...	...	...	24½	15
Do. pref.	.	...	...	...	...	...	...	75	59½
Good. & Worts	.	...	36½	33¾	34½	33½	7390	36½	27½
Illinois Power, pref.	7	7.10	...	...	...	...	...	99¾	96
Imperial Oil	$1.00	2.85	35¼	34¾	35	35¼	4785	38½	32½
Inter. Petroleum	75c	2.42	32	30	30⅝	32	2600	35½	29¼
Manitoba Power	.	...	41¾	40½	41½	40	567	43	24
Newsprint Co.	.	...	...	...	...	...	...	27	18
North Star Oil c. (par $5)	.	...	...	...	...	...	...	125	75
Do. pref.	7	...	...	...	...	...	...	490	450
Nor. Mex. Pr., com.	.	...	44½	44½	44½	45	110	55	40
Do. pref.	7	8.53	82	82	82	82	5	85	81
Page Hersey, com.	75c	6.00	50⅜	49	49⅝	49½	1151	50⅜	43
Do. pref.	$1.75	6.36	112½	110	110	112	230	114⅛	100½
Paton Mfg., com.	.	...	...	...	...	...	...	55	50
Do. pref.	.	...	...	...	...	...	...	99	75
Power Corp. (no par)	.	...	24	24	24	23	100	28¼	22
Pressed Metals	.	...	...	...	...	...	...	40	30
St. Law. Pr. (no par)	.	...	49	48	49	48½	1195	50	35
Do. pref.	8	7.69	104	104	104	103¾	8	104	103¾
Simpson, Robt., pref.	6	6.00	...	...	...	...	...	102	99
St. Maurice Valley	.	...	62	60	60	62	131	65	40
St. Maurice Pr.	.	...	87	86	87	85	148	87	72½
McColl Oil, com.	.	...	22½	22	22	20⅞	69	24¾	18⅞
Do. pref.	.	...	98½	98	98	98½	75	99½	95
Toronto R. S.	.	...	...	...	...	...	...	195	110
Un. Secs., com.	.	...	50	50	50	50	65	65	50
Do. pref.	6	5.86	103½	102¼	103½	103½	46	105	102
Volcanic Oil	63c	...	30	30	30	30	455	31⅞	26
Brewers and Distillers	.	...	5	4⅝	4¾	...	5970	5	4⅝
Fraser, pref.	7	7.40	94½	94½	94½	...	100	94½	94½
Mount Royal, pref.	.	...	42¼	42¼	42¼	...	25	42¼	42¼

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POWELL RIVER PLANT EQUIPMENT CANADIAN MADE

Big B.C. Producer Increases Output to 500 Tons Daily

VANCOUVER. — New units which will almost double the output of the Powell River Co. at its plant sixty miles north of Vancouver have been brought into production. Two and a half years ago this program of expansion was launched. It has increased the production from 260 tons daily to approximately 500 tons daily at a cost of $8,000,000. The original development was started seventeen years ago and up to three years ago there was an approximate investment of $12,000,000. The present enterprise, therefore, represents a capital cost of $20,000,000.

The Powell River Co. is an American concern in that it has been made possible largely by the investment of American capital. But important benefits have accrued to Canada in the purchase of Canadian equipment and the employment of Canadian labor. The new unit has been equipped with the finest machinery in the world and 90 per cent. of it was built in Canada or obtained from some other part of the Empire. Names of Canadian makers are to be found on a great many of the machines.

The Powell River plant started essentially as a waterpower installation. Power is still obtained in this way but all of the new machinery is driven by separate electric motors. A new powerhouse and a new sawmill are among the buildings recently erected. The paper-making machines cost a little more than $500,000 each. Installed and in operation, with the driving plant and housing complete, this part of the enterprise alone represents an investment of $2,750,000. Other new construction includes a sawmill at a cost of $1,200,000, additions to the boiler house to the amount of $900,000; hydraulic development, $675,000; generating plant, $325,000; grinder room, including screen room and water wheels, $720,000; sulphite and acid plant, $570,000; wharf and tramways, $300,000; machine shop, $30,000; miscellaneous mill improvements, $80,000, and townsite, $500,000.

A Canadian Institution

Practically 90 per cent. of the new production of the mill will go to foreign countries and the cash returns will come back to British Columbia, according to M. J. Scanlon, of Minneapolis, vice-president of the company, at the inauguaral ceremonies which were attended by Lieutenant-Governor Bruce, Hon. T. A. Pattullo, Minister of Lands, and many others prominent in public and business life in British Columbia. Continuing Mr. Scanlon said:

"The paper which we produce, I am proud to say is the finest newsprint paper in the world, for which I give credit to the local management and employees. We have a wonderful organization here, and I am proud of it.

"The Powell River Company is a Dominion institution. The province is a partner in this undertaking. Bankers hesitate to loan money to a company when the title to the land does not go with the product of the land, but I think it is a good thing. The Powell River Company could not afford to buy all the land from which it cuts timber. The province steps in and says: 'Here is the timber. Carry on.' The Powell River Company never had a better partner than the Province of British Columbia. We have never asked or been given any favors, and the arrangement under which we operate has worked out with success to both."

INTERNATIONAL BUYS CHALEURS BAY MILLS

Important Limits Are Secured in the Gaspe Region Along With Plant

MONTREAL.—The International Paper Company has confirmed the reports of its purchase of the Chaleurs Bay Mills property in eastern Quebec. The holdings acquired comprise about 425 square miles of timber limits tributary to the Restigouche and Matapedia Rivers in the western part of the Gaspe region, with the mill and booming ground at the head of the Bay of Chaleurs, and stores, depots, and other real estate connected with the mill and logging operations which have been carried on for many years.

The transaction was handled on behalf of the owners by the New York office of James D. Lacey & Co. As an initial step, the Montreal office made an aerial forest map of the Causapscal Limits in June, 1925, and further visualized the conditions by a series of oblique aerial photographs. This was followed by a ground estimate of stand in representative types as shown from the air. Later a more complete ground cruise was made jointly with the International Paper Company. The investigations and negotiations extended over more than a year.

The Chaleurs Bay Mills Company was owned by a group of Canadians and Americans who had erected it successfully for the production of spruce lumber. David Champoux, the president, is a well-known Canadian lumberman, and past-president of the Canadian Lumbermen's Association. The limits are solidly timbered in a region of relatively rapid growth, and, by careful management, the former owners had planned on a sustained yield. No pulpwood had been cut, so the International Paper Company adds materially to the pulpwood resources tributary to the Bay of Chaleurs, where it is reported that further developments in the way of a pulp and paper mill are contemplated.

Manitoba Paper Plant To Operate Next Month

WINNIPEG. — Paper-making will commence next month at Fort Alexander in the largest mill in Canada west of the Spanish River plant. The construction work of the Manitoba Pulp and Paper Co. complete on the hundred ton structure and the machinery is ready to have the power applied.

There will be two trains weekly from the plant to Winnipeg transporting the finished product. Dates for first deliveries have not been made, for the territory to be served has not been defined. Much of the outturn is expected to be sent across the line, through some of the new mill's products will be consumed by prairie papers as old contracts expire.

HUMBERSTONE SHOE MADE GOOD PROFITS

Preferred Dividend Earned More Than Four Times and Common More Than Three Times

With net profits, after depreciation and provision for bad debts, but before federal income tax, amounting to $46,274, the first annual statement of the Humberstone Shoe Co., covering the five and a half months period to July 31, 1926, shows the preferred dividend for the period to have been earned more than four times and the common dividend between three and four times. The net profits were shown at $46,274 of which $22,000 was paid in preferred and common dividends and the balance of $24,275 carried to surplus account.

Retirement of the preferred stock from earnings thereby increasing the equity of the common shareholders is forecast by H. H. Knoll, president and general manager, in his report.

"It will be the policy of your directors gradually to retire the preferred stock from earnings over the above dividend requirements, thereby increasing the equity of the holders of the common stock.

"During the fiscal period under review, the growth of the company's domestic business has been most satisfactory. Very gratifying results have also attended the company's efforts to develop a market for its products in foreign countries."

The balance sheet indicates a good working position, liquid assets being over five times current liabilities. Total liquid assets are valued at $257,874, against current liabilities of $49,298, leaving net working capital of $208,576. Liquid assets are made up of cash amounting to $56,372, receivables of $70,373, and inventories valued at $131,128. Current liabilities comprise payables of $38,298 and dividends due of $11,000. Fixed assets are valued at $186,718, and total assets at $457,916, including deferred charges to operations of $13,324.

Canada Cement Now in Good Technical Position

The withdrawal from the street of large blocks of this stock during the present year has placed it in a splendid technical position in the opinion of Jones, Newton and Heward, Montreal. Offerings which are small are readily absorbed and it seems unlikely that any serious or drastic decline in the price will take place beyond the minor tendencies to follow the trend of the market. The rumor of increased competition by way of increased capacity of the opposition company has done little to shake the public confidence in the feeling that Cement is one of the best common stocks on the Montreal Board.

Asbestos Preferred Favored as Speculative Investment

Edward Cronyn and Company, in their current comment on market developments, say that they have been advised by reliable correspondents in Montreal that they regard Asbestos new preferred as a good speculative investment. It is a 7 per cent. non-cumulative stock and is recently ex-dividend the quarterly dividend of 1¾ per cent. The shares are $100 par value. The price now is around 75, so that the yield is 9.33 per cent. on the investment, and it goes without saying that with such a yield there must be a considerable speculation in the purchase. It is felt, however, that the chance involved is worth taking in view of the extraordinary earning possibilities connected with this enterprise. The company has consolidated the leading asbestos companies of Quebec, which province produces between 80 and 90 per cent. of the world's consumption.

Mount Royal Hotel Now Earning Preferred Dividend

At a recent meeting of the directors of the Mount Royal Hotel, a statement of earnings up to September 30th, was submitted, showing net profits of $392,092. These net profits are after providing for interest on the first mortgage, municipal and other taxes and depreciation, and are therefore applicable to dividends on the preferred stock. This result shows an increase of practically $100,000 as compared with the same period in 1925. The month of October will show also very substantial profits. It was announced in April last that the company was then refusing bookings for three weeks of October. These figures would indicate that the company had good prospects of earning a full preferred dividend during the current year.

At the 31st of December, 1925, the company had at the credit of surplus account, as shown by the audited statement, the sum of $355,061. It would appear, therefore, that at the close of business this year the company should have surplus applicable to dividends of between $700,000 and $1,000,000.

Huron & Erie Absorb the Hamilton Provident

With the assent of the lieutenant-governor-in-council of the Province of Ontario and the treasury board of the Dominion of Canada, to the purchase by The Huron & Erie Mortgage Corporation of the business of The Hamilton Provident and Loan Corporation, the final act in the process of joining together these two important financial institutions has been accomplished. In connection with the merging of these interests the entire board of directors of The Hamilton Provident is retained as a special advisory board for Hamilton and district, the personnel being: George Hope, Lt.-Col. Henry L. Roberts, W. J. Aitchison, D. M. Cameron, Hon. Major-General S. C. Mewburn, K.C., C.M.G., Stanley Mills, W. A. Wood.

D. M. Cameron, formerly general manager of The Hamilton Provident, is to manage the Hamilton office, with W. A. Stewart as his assistant, and John R. Reid, until recently in charge of the mortgage investments departments at main branch in London, as accountant. In addition to the retention of the chief officers, the entire staff at Hamilton will be retained to handle the business as formerly. The result will be little outward evidence of any change in the institution. It is the avowed intention of the directors of the corporation to make The Hamilton Provident office one of the most important financial centres in Hamilton.

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Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

Food Products

OGILVIE MAKES PROFITS OUT OF OTHER BUSINESS

Flour Milling Unprofitable Because of Lack of Protection

Because of unfavorable conditions in the flour milling industry, the policy of the directors of the Ogilvie Flour Mills Co., has for some years favored the investment of surplus profits in companies operating in other industries rather than in the enlargement of its own facilities. The result has been that Ogilvie shareholders have had substantial dividends when they have not been justified by conditions in the milling industry itself. The report for the twelve months ending August 31, shows net profits of $1,873,000 as against $758,145 last year, and $1,152,217 the year ending in 1924. After allowing for dividends on the preferred stock the balance was equivalent to $11.47 per share on the 75,000 shares of no par value common stock as against $8.24 for the previous year. Dividends paid on the common during the year amounted to $10 per share, leaving the substantial surplus of $110,873 to increase the total surplus to $2,286,089. The profit and loss figures for the past three years compare as follows:

Profit and Loss

	1926	1925	1924
Net Prof. ..	$1,000,873	$ 758,145	$1,152,217
Spec. Deprec.	......	......	250,000
Balance	$1,000,873	$ 758,145	$ 902,217
Dividends ..	890,000	721,250	765,000
Surplus	$ 110,873	$ 36,895	$ 137,217
Prev. Bal...	2,175,216	2,138,320	2,001,103
	$2,286,089	$2,175,215	$2,138,320

Working Capital Position

	1926	1925	1924
Cur. Assets	$11,672,196	$11,269,551	$10,726,104
Cur. Liab.	2,408,742	2,302,261	1,993,746
Work. Cap.	$9,263,454	$8,967,290	$8,732,358

That the Canadian milling industry is suffering from lack of consideration on the part of the government as well as keen competition was dedeclared at the annual meeting of the company by W. A. Black, vice-president and managing director. In this connection, Mr. Black said:

"I regret to say that the flour milling end of our business has not been as satisfactory as it should have been considering the large capital invested, on account of the excessive price-cutting and unbusinesslike conditions prevailing in the trade.

"The flour milling industry is one of the greatest in the country and most deserving of support, but it has not received the consideration due it by our government. For years past it has allowed our wheat to be shipped to, and milled in, countries charging little or no duty on wheat and a very much higher duty on flour.

"A firm stand on the part of the government would force such countries as seriously discriminate against our flour to place both wheat and flour on a more equable basis, for there can be no doubt as to the necessity of their requiring our strong northwestern wheat in the milling of flour for breadmaking."

The balance sheet shows the excess after all dividend deductions. Total of current assets over current liabilities amounting to $9,263,000, as against $8,967,000 last year. Cash is up sharply at $1,913,000, as against $633,000 last year, and inventories are lower at $969,000 as against $1,217,000. Investment account shows a decrease of $650,000 at $7,367,000, and property account is down from $5,057,000 last year to $4,872,000. The liabilities side shows accounts payable are lower to the extent of $50,000 at $1,869 000.

The board of officers for the current year are as follows: Directors: Sir Montagu Allan, W. A. Black, R. R. Dobell, Sir Charles Gordon, G.B.E., Sir Herbert Holt, K.B., C. R. Hosmer, J. W. McConnell, E. L. Pease, and Sidnev T. Smith. Officers: C. R. Hosmer, president; W. A. Black, vice-president and managing director; G. A. Morris, secretary and treasurer.

Gosse Packing Co. to Have Increased Pack

From the Pacific coast comes word that the Gosse Packing is having one of the best years in its history, according to McLeod, Young, Weir & Co. Up to September 1st, operations have resulted in a greater pack than in the same period last year. The entire pack last year amounted to 308,000 cases. The production of fish-oil is well up to the estimates for the year; this department promises to be very profitable indeed during the present season.

One of the canneries which is giving the best account of itself this season is a new cannery built and equipped from the proceeds of the company's recent financing. The company's new fish-oil plant, also built and equipped from the proceeds of the recent financing, is responsible for the greater part of this season's large production of fish-oil. If the expectation of the company's executives for the balance of the present season are realized, net earnings for the year may exceed $16 per share on Gosse Packing common stock, after all prior charges. This would mean that the preferred dividend would be earned more than five times over.

B.C. Fishing is Having Increased Pack This Year

The pack of B. C. Fishing last year amounted to 286,586 cases and that of the Wallace Fisheries to 146,897, or a total for the season of 433,483. The total pack to the 9th of October, this year, aggregated 515,834 cases. But while the total pack is thus 82,351 cases in excess of that of a year ago, the revenue to be derived will not likely prove proportionately as large. It will be good, however, as the average price being obtained this year is considerably greater than a year ago. The most valuable part of the pack is the sockeyes, and these have been reduced by approximately 30,000 cases, the figure for last year being 159,800 cases, and that for this will not run beyond 130,000 cases. The run of sockeyes, springs, cohoes and pinks is now over, and the season for chums and white springs is now under way. In the first week of October there was a gain in these latter of 23,000 cases over the total established a year ago. The company is looking forward to a good run of herring and the expectation is that considerably over 1,500 tons of these will be packed.

ANOTHER LIQUOR COMPANY LISTED

Trading on Toronto Exchange in Shares of Brewers and Distillers of Vancouver

Trading in the unlisted section of the Toronto Stock Exchange in the shares of Brewers and Distillers of Vancouver, Ltd., has been fairly active since the first appearance of the shares on October 14. It adds another member to the group in which there has been considerable investment and speculative interest in recent months.

Brewers and Distillers of Vancouver was formed to acquire the stock of British Columbia Breweries and British Columbia Distillery with the object of centralizing management and effecting economy in operation. All the shares of British Columbia Distillery have been exchanged and all but forty shares of British Breweries have been turned in. Both of the companies are successfully operating and the products are sold largely to the liquor commissions of the several provincial governments on a cash basis, there being practically no risk of bad or doubtful debts. It is expected that profits of the distillery will materially increase from year to year by reason of lowering manufacturing costs and new and expanding market, while the present satisfactory condition of the brewery company is expected to remain so.

The earning power established by the consolidation is indicated by actual profits for the first part of 1926, with the remaining months estimated. Combined net profits, after due provision for depreciation, taxes, and bond interest, for the year ending September 31, 1926, are estimated at $524,301, which is equal to 10.7 per cent. on the capital stock issued.

The only funded debt is represented by the outstanding $673,500 6 per cent. first mortgage bonds of British Columbia Breweries, this being the balance after redemption of $471,500 in July last. The trustees securing these bonds provide that no dividends shall be paid on the capital stock until all the bonds are redeemed, and it is expected that the bulk, if not all, will be paid off in the next few months. Since 1919 $1,932,500 have been paid off.

The consolidated balance sheet, as at December 31, 1925, after giving effect to the acquisition to the above-mentioned companies, shows net working capital at $950 661, while the surplus carried forward was $1,235,574. Assets were shown at $6,262,539, of which $1,968,477 was represented by land, buildings, plant and equipment, and $4,294,062 by goodwill, trade marks and licenses.

Canada Biscuit Merger Has Important Advantages

Frank A. McCormick, president of the Canada Biscuit Co., announces the appointment of H. V. Hansen, of Toronto, as general manager of the company. Mr. Hansen will have his office at the headquarters of the company at the McCormick plant in London.

Formed early in 1926, by a consolidation of the biscuit businesses of the McCormick Mfg. Co., London, Ont., J. A. Marven Co., Moncton, N. B.; the Montreal Biscuit Co., Montreal, Que.; D. S. Perrin & Co., London, Ont., Paulin, Chambers Co., Winnipeg, Man., and North-West Biscuit Co., of Edmonton, Alta., and its subsidiary, North-West Flour and Feed Co., the operations of the Canada Biscuit Company extend from coast to coast.

The former heads of the consolidated companies form the board of directors of this great Canadian enterprise, with Frank A. McCormick, formerly of McCormick Mfg. Co., Ltd., as president and managing director.

The management is in the hands of skilful, experienced biscuit manufacturers, and the programme for perfecting distribution on the most favorable operating basis is being rapidly and soundly carried out.

With the management of the former heads of the companies making up the consolidation located in the communities where they have built up large volume, knowing thoroughly local conditions and tastes, yet working out closely the policies of the Canada Biscuit Co. as a whole, it is felt that the new company will be able to offer the public the kind of biscuits that are demanded by local preferences, and to offer new products made more skilfully than ever, owing to the combination of experience and skill that has been effected by bringing together successful manufacturers from all parts of the country into one big manufacturing and marketing organization employing 2,500 workers, and having assets of about $8,000,000—the Canada Biscuit Company, Limited.

In having six modern baking plants located at strategic points across the Dominion, each catering to the tastes of the section it dominates, the company has many advantages.

USE HERRING FISH IN REDUCTION PLANTS

Enormous New Supply Opened Up; Will Have Influence on Trade

VICTORIA. — An enormous new supply of material has been opened up to the reduction plants operating on the West Coast of Vancouver Island, as a result of the recent Government order lifting the restrictions on herring. This order will have an important influence on the already large business of manufacturing oils, fertilizers and fish bases and will allow the plants to continue their operations until the end of the year, three months after the end of the pilchard run, on which they have depended in the past.

Though herring contain less oil than the pilchard, they will be extremely valuable for reduction purposes and will be turned into easily-marketed products for shipment all over the world. It was only strict federal regulations, forbidding the use of herring except for food, that prevented their utilization in the reduction industry in the past.

So far the herring industry has not developed as rapidly as operators could wish because of labor conditions. This coast finds it difficult to compete in the canning of herring with countries where labor costs far less, and for this reason the operators have resorted to salting. With the reductions plants using herring, however, it is probable that the marketing problem will be solved.

Dominion Brewery Reported Sold

With the announcement of a wet policy for Ontario by Premier Ferguson this week came the report of the sale of the estate of Sir Wm. Mackenzie of the Dominion Brewery, Toronto, to the Hamilton Brewing Association, which also operates the Grant Springs Brewery. The price is stated to have been $500,000.

CANADIAN BAKERIES EARNED $1.64 SHARE

That Was Showing on No Par Stock After Payment of All Fixed Charges

The annual report of Canadian Bakeries, Ltd., which was formed by a strong group of five of the manufacturing bakeries located in the largest cities between Regina and Vancouver, with a combined weekly capacity of about 1,500,000 loaves of bread, shows profits, after depreciation of $136,428, amounting to $281,927. After interest and provision for redemption of bonds, preferred dividends and taxes, the balance available for the common stock is $32,772, which is equal to $1.64 per share on the 20,000 class "A" shares of no par value.

Interest on the first mortgage bonds amounted to $52,000; provision for redemption of first mortgage bonds, $11,330; provision for redemption of first preferred shares, $10,000, and provision for Dominion and Provincial income taxes was $36,000. Dividends for the year on the first preferred stock absorbed $69,825, and on the second preferred stock $70,000, leaving a balance of $32,772.

The balance sheet shows the company to be in a comfortable liquid position, current assets being over three times current liabilities, while cash on hand is only $5,000 short of total current liabilities. Net working capital amounts to $354,758. Current assets are valued at $529,418, consisting of $169,303 in cash, $17,104 in bonds, $157,978 in receivables (less reserve of $8,125), and inventories of $185,033. Current liabilities at $174,660 are made up of payables amounting to $103,825, dividends payable of $34,825 and provision for taxes of $36,000.

Total assets are valued at $3,107,432, including goodwill, trademarks, brands, etc., of $701,432, and deferred charges of $19,311. Fixed assets are valued at $1,857,564 after deducting reserves of $158,056. Land is valued at $131,453, buildings $958,805, and plant and equipment at $925,363, before provision for depreciation. On the liability side, capital and surplus is shown at $2,143,772 and funded debt at $789,000.

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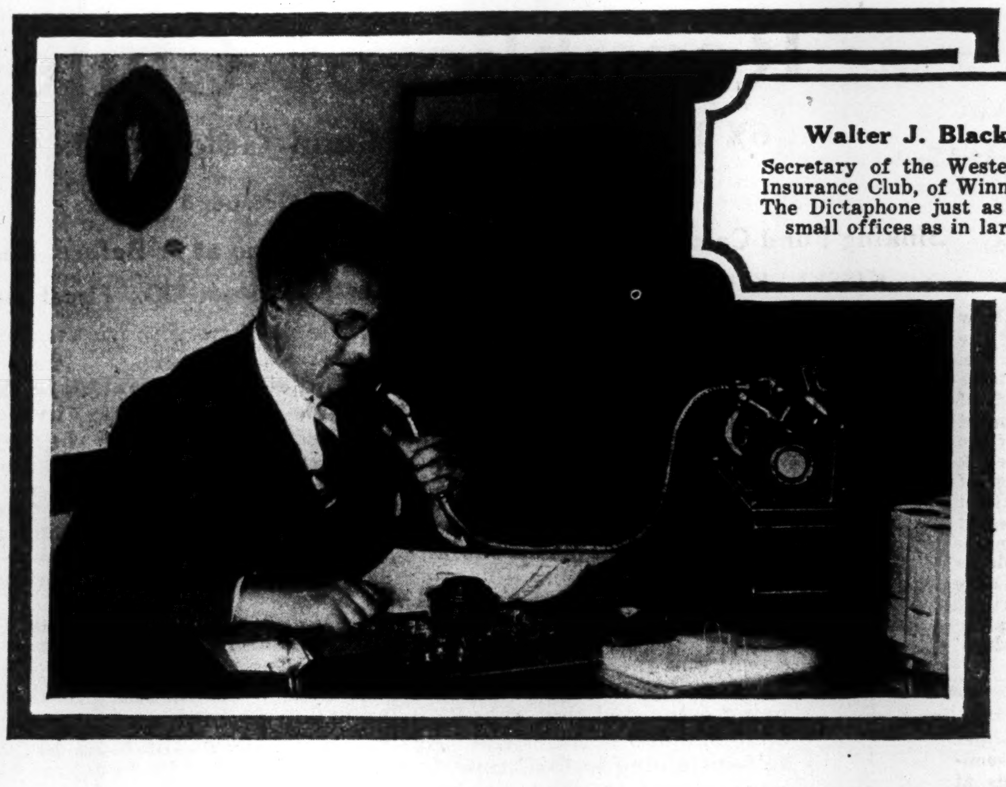

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"Then, too, when concentration and quiet are necessary, I have found shorthand a great detriment. It was a decided relief to escape the laborious and inefficient methods I formerly employed. I have used The Dictaphone in both large and small offices and find it just as effective in one as in the other."

Miss Muriel Leader, Mr. Blackburn's secretary, says: "I like The Dictaphone because it gives me a chance to do a variety of work, while shorthand ties a girl down. Beside the constant interruptions for note taking, shorthand is nerve-racking, and gets you nowhere, — except into a rut.

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Iron and Steel

BESCO BUSINESS BOOMING IN COAL BETTER IN STEEL

British Strike Has Created Demand for Fuel Abroad

By Staff Editor.

SYDNEY.—Indications of a continuation of the boom in the coal business and of at least moderate revival of the local steel industry were given here this week at a board of trade banquet by J. E. McLurg, vice-president of Besco, who announced that:

(1) Orders now on hand are sufficient to keep the Sydney Steel Mills operating at their present rate until March.

(2) That when river navigation closes on or about November 20, Besco will begin to ship coal by water from Louisburg to Portland and thence by rail into Montreal.

It has been many years since Cape Breton coal operators were forced to resort to the Portland route to fill their orders in the St. Lawrence market.

At Sydney preparations are going on for the building of a four track trestle, and the report is that 800,000 tons of coal are to be banked near the Sydney steel plant alone.

Up to the present time little or no Cape Breton coal has been shipped to England to relieve the shortage caused by the British strike, but that was mainly because the whole Nova Scotia output was contracted for elsewhere. Even as it was, a big bunker trade was done over the Sydney piers with scores of freighters calling every week for fuel.

But now that the St. Lawrence is closed for the season, there is nothing to prevent Nova Scotia getting a big slice of the new British market. There will probably be no trouble with the U. M. W., as the American branch of that organization has been digging and selling coal to England hand over fist for several months past.

Hampton Roads, for instance, has so far shipped 2,700,000 tons to England and by reason of this emergency trade has over night become the greatest Atlantic port for the time being, its arrivals and sailings being two to one greater than New York. As Louisburg, Cape Breton's winter port, is a thousand miles nearer England than Hampton Roads, the possibilities of the situation are obvious. There have been persistent rumors of "big coal orders" to be shipped through Louisburg, this winter, but only recently has there been any intimation as to where those cargoes were going.

Thus for the first time in many years there is a prospect of Nova Scotia mines working steadily all winter. There is also another side to the hiring of skilled men in Britain. Cape Breton mines being deep, wet, and gassy, the number of auxiliary employees is away out of proportion to the number actually producing coal. That is to say, for every man digging coal at the face there are three others hauling it away, maintaining the long tunnels, or pumping air or water into and out of the mine.

This three to one overhead goes on whether the mine is producing 500 tons or 1,000 tons a day, and the existing auxiliary organizations are capable of taking away from the men at the face and handling much larger outputs than are the rule to-day.

Regular Dividend From Bridge

MONTREAL.—The directors of the Dominion Bridge Co. have declared the regular dividend of 1 per cent. on the common, payable November 15th to shareholders of record October 30th. Some quarters in the "Street" expected an increased dividend at this declaration. The stock of late has been very strong and recently sold up to the record high point of 112.

Letters to the Editor

Canadians Abroad

Editor, The Financial Post,

Sir:—In reading your issue of October 8, I came across an article on George I. Cochrane, a Canadian who left Canada and built up a big fortune and probably reputation, in California.

It seems to me that a sufficient number of our young people are already leaving Canada to live and work in the United States, without advertising the success that some of their predecessors have had. Surely there can be found enough of interest in the life work of Canadians who have remained in Canada, to make a readable article.

Personally, I am a bit fed up with seeing our press in Canada so often glorying in the success which has followed the footsteps of men who considered their own country not good enough in which to stay and work.

Yours very truly,
E. W. BICKLE.

Toronto, Oct. 15, 1926.

GRAVE PROBLEMS ARE STUDIED BY BOARD OF TRADE

(Continued from page 1)

which have been organized along these lines, but few have been able to get down to the business first basis which has been achieved by the Canadian Board of Trade. No doubt many a delegate looked longingly from the window in the new Admiral Beatty Hotel at the broad stretch of the Bay of Fundy. No doubt many were tempted to take a day in the open—tempted by the whiffs which always reawaken in inland minds the age-old romance of the sea. Nevertheless such allurements were shoved resolutely to one side and business always came first.

FOR THE NATIONAL GOOD

The assurance of representatives of the two great parties in the Canadian Parliament was that they and their associates would support every move which was for the common good of all people of Canada.

Both Hon. James Malcolm, Minister of Trade and Commerce on behalf of the Government, and J. K. Flemming, M P., of Juniper, N.B., on behalf of the Opposition declared that no party differences or political strife would clog the wheels of progress when legislation tending to carry the Dominion to further heights of prosperity was being decided upon.

The Lake Levels

A. O. Dawson, Past President of the Montreal Board of Trade, in an address on problems of the Central Provinces declared that the lowering of the lakes levels by 25 inches through the Chicago Drainage Canal and other causes was a matter of serious import to all Canada, and particularly to Ontario and Quebec, and urged the taking of steps to preserve Canada's great transportation artery from the Head of the Lakes to the Gulf of St. Lawrence intact. He said one need not be a prophet to state that within the next 25 years no part of this continent will show a more solid and permanent growth than this territory.

Col. R. H. Webb, mayor of Winnipeg, propounded the following plan of an Immigration Commission:

"Immigration should be taken out of politics and be placed in the hands of a commission.

"(a) Why? Because it is a great, big business, requiring a big, far-sighted policy of vision, extending not only from the Maritimes to the Pacific Coast, but into the distant future of at least 100 years of national development, and after that into a greater status of nationalism of the future ages.

"(b) Because a policy of continuity must be laid down along broad lines of consistency in not only bringing people to our shores, but making it possible for them to make a good living, and for our own people also to make a good living; above all, to keep our own people in Canada, and to have the new Canadian remain here; to bring about a natural assimilation of all peoples into one great British Canadian nationalism by means of the development of all our great national resources."

Arguments in favor of the formation of a National Foreign Trades Council in Canada, similar to that which is now functioning in the United States, was urged in a paper delivered by C. P. W. Schwengers, president of the Chamber of Commerce, Victoria, B. C.

S. B. Gundy, a past president of the Toronto Board of Trade, and credited with being one of the principal factors in the calling together of the Winnipeg Economic Conference, out of which was born the Canadian Board of Trade, was chosen to be the first president of the Dominion organization.

Other officers were elected, as follows: Vice-presidents—A. O. Dawson, Montreal; Captain L. Dollar, Vancouver; J. H. Paulhus, Montreal; R. G. Persse, Winnipeg; L. W. Simms, St. John. Chairman of the executive — W. M. Birks, Montreal.

Property In The West

The West, and by that we mean British Columbia in particular, is developing rapidly. Property values in Vancouver shows a steady upward trend.

While we do not recommend speculative investment we DO recommend revenue producing purchases which show a return now and increase in value at the same time.

We shall be glad to give details of various properties, both business and residential, which are available through us.

Pemberton & Son
Vancouver Limited
418 HOWE STREET
Vancouver, Canada

Subscriptions having been received in excess of the amount of this offering, this advertisement appears as a matter of record only

New Issue

$42,500,000

Republic of Chile

6% External Sinking Fund Gold Bonds

Dated October 1, 1926 | **Interest payable April 1 and October 1** | **Due April 1, 1960**

Sinking Fund Calculated to Redeem the Entire Issue at or Before Maturity.

KISSEL, KINNICUTT & CO. and HALLGARTEN & CO., Fiscal Agents

Principal and interest payable in New York City at the office of either of the Fiscal Agents, Kissel, Kinnicutt & Co. or Hallgarten & Co., in United States gold coin of the present standard of weight and fineness, or at the option of the holder in London at the office of the Sub-Fiscal Agent, J. Henry Schröder & Co., in Sterling at exchange rate of $4.8665 to the Pound Sterling; without deduction for any Chilean taxes, present or future. Coupon bonds in denominations of $1,000 and $500, registerable as to principal only. Redeemable only through the sinking fund, on April 1, 1927, or on any interest date thereafter at face amount on not less than 10 days' notice.

A cumulative Sinking Fund of 1% per annum is provided for, to operate semi-annually through purchase of bonds at or below face amount, or if not so obtainable, then by call of bonds by lot at face amount. The Republic reserves the right to increase the amount of any Sinking Fund payment, and to tender bonds in lieu of cash.

A substantial amount of these bonds has been withdrawn for sale in Great Britain, Holland, Switzerland, Sweden and Canada.

The Republic has agreed to make application to list these Bonds on the New York Stock Exchange.

Price 93¼ and Interest to Yield about 6.50%

The following has been authorized by His Excellency, Don Lautaro Rosas, Minister of Finance of the Republic of Chile:

OBLIGATION: These bonds will be the direct obligation of the Republic of Chili and principal and interest will be payable in time of peace or war, irrespective of the nationality of the holder. The fiscal agency agreement will provide that if in the future the Republic shall issue or dispose of any bonds or loan secured on specific revenues or assets, these bonds shall be equally and ratably secured therewith.

PURPOSE: The proceeds of this loan will be used for the construction of roads and sanitary works, for the retirement of certain existing internal debt, and to provide funds for the payment of current indebtedness of the Republic (including the $10,000,000 5% Notes due February 25, 1927) to the end that at December 31, 1926, all floating debt shall have been paid or provided for.

NATURAL RESOURCES: Chile has an area of 290,000 square miles, which is greater than the combined areas of Germany and Italy. It is the second largest producer of copper in the world and the only country in the world producing natural nitrate. The total value of all mineral products for the year 1925 was $225,192,660. The resources of Chile have been developed largely with foreign capital, it being estimated that over $1,000,000,000 of foreign capital is invested in the country, of which approximately $300,000,000 is American. Agriculture is one of the most important of the country's industries, Chile being self-sustaining in this respect. In the diversity of its developed mineral and agricultural resources, Chile compares very favorably with the leading nations of the world.

REVENUES: The budget for 1927 aggregates in round figures $117,000,000 and will be submitted to Congress entirely balanced.

For the years 1922 to 1925, inclusive, total revenues, exclusive of receipts from loans or from the sale of capital assets, amounted to $282,554,089, while total ordinary expenditures amounted to $323,644,195. Included in the above figure of ordinary expenditures was over $41,000,000 for amortization of external debt alone, or practically the entire amount by which the expenditures exceeded the revenues.

DEBT: Official records disclose that there has been no delay or default in interest payment on external debt for over 84 years. By agreement with the Bondholders, amortization was deferred from 1880 to 1884 on account of conditions arising from the War of 1879. Between 1885 and 1914, Chile placed loans in London and on the Continent for a total principal amount of £46,662,638 ($227,083,728) which were offered to the public on an average yield to maturity of approximately 5.04%.

The present total debt of the Republic, including this issue and all guaranteed obligations, aggregates about $288,000,000, of which approximately $90,000,000 consists of guaranteed obligations for railroad companies, the Mortgage Bank, workmen's dwellings, irrigation projects and municipal loans. Government owned properties have an estimated value of approximately $650,000,000, which is over twice the total debt. On July 1, 1923, the total national wealth of the country was estimated at over 3,372,000,000, equivalent to over $855 per capita. The per capita wealth in 1923 was approximately 12 times the present per capita debt.

FOREIGN TRADE: Average annual exports for the six years ended 1925 were $201,306,523 while annual imports averaged $132,247,024, an average annual favorable balance of over $69,000,000. The United States occupies the first place in the foreign trade of Chile, both as to exports and imports.

MONETARY SYSTEM: By legislation enacted last year upon recommendations of a Commission of American experts, the country has established a financial structure providing a stable currency. The peso now has a gold parity equal to $0.12166 United States currency and is currently quoted at substantially this rate.

These Bonds are offered when, as and if issued and accepted by us and subject to the approval of counsel, Messrs. Sullivan & Cromwell and Messrs. Chadbourne, Hunt, Jaeckel and Brown, New York City, who as to questions of Chilean law will consult with Messrs. Claro & Co., Santiago, of the Chilean Bar. We reserve the right to reject subscriptions in whole or in part, to allot less than the amount applied for and to close the subscription books at any time without notice. Temporary bonds or interim receipts of the National Bank of Commerce in New York deliverable in the first instance.

Hallgarten & Co. Kissel, Kinnicut & Co. Halsey, Stuart & Co. Incorporated Lehman Brothers
J. Henry Schroder Banking Corporation Cassatt & Co. William R. Compton Company
The Canadian Bank of Commerce Dominion Securities Corporation, Limited
Royal Securities Corp., Ltd. McLeod, Young, Weir & Co., Ltd. R. A. Daly & Co.
Hanson Brothers Greenshields & Co.

The above statements were obtained partly by cable. We regard them as reliable but in no event are such statements to be regarded as representations by us. Conversion of peso figures for prior years at then prevailing market rates; current figures at parity of exchange. Sterling conversions at par.

October, 1926

Public Utilities

N.B. POWER AGAIN MAKING PROGRESS ON A SOUND BASIS

Earnings Increase as Enthusiasm For Public Ownership Wanes

By Staff Editor.

St. JOHN.—As far as earning power is concerned the New Brunswick Power Company is traveling the upward road once again. With the advent of provincially-owned hydro, the company's earnings steadily fell off until the close of 1924. Since that date earnings have been steadily increasing due in part to the non-success of the government-owned system and in part to lowered operating costs coupled with increased gross earnings.

While the company at present is paying one per cent. quarterly on its first preference shares, The Financial Post understands that net earnings are now at a level which would meet the full payments on the senior stock issue. The dividend rate on the stock is 7 per cent. and at present it is some 10 per cent. in arrears. The outlook for the first preference shares appears to be favorable for increased earnings, and provincial power developments have worked out so unsatisfactorily that the government plants have and will still continue to purchase large blocks of power from the privately-owned enterprise. Moreover with the present unsatisfactory financial state of the publicly owned system it seems probable that power rates must eventually be increased. This may not take place for some time, however, as any local municipal politician who suggests increased rates in order to meet deficits would probably lose many votes. Nevertheless it seems that eventually rates must move up. This, of course, would be reflected in the earnings of the New Brunswick power.

The bettered position of the company has naturally been reflected in the price at which its securities change hands. The first preference shares which not so long ago sold on the curb at 35 now sell at over 60. The bonds now sell at over 90 where as lately they could have been purchased at around 80.

The vice-president and general manager of the company, M. A. Pooler, has resigned to take up another public utility appointment in the United States. His position will be filled by W. H. Swift, Jr., who has been associated with the Westinghouse Electric and Manufacturing Co.

Winnipeg Power Issue Kept Alive by Politicians

WINNIPEG.—Interests behind the efforts to block the power deal between the city hydro department and the Manitoba Power Company have appeared in court and made a motion to postpone proceedings for two weeks. It is surmised that as the civic elections are not far off this is a move to keep the proceedings alive until the campaign is on with a view to making the contract an issue against its aldermanic supporters.

The attorney-general of Manitoba has refused an application for the appointment of a Royal Commission to investigate the city hydro department. This was evidently another attempt to frustrate the power purchase plan.

International Plants on Gatineau Are About Ready

OTTAWA.—Power will be available from at least one unit at the Hydro-Electrical development of the International Paper Co., at Chelsea, Que., by January 1, 1927, and from at least one unit at the Farmer's Rapids development of the same company, by March 1, 1927, according to information given some 350 members of the Engineering Institute of Canada, who visited both sites on Saturday as the guests of the Gatineau Power Co. and the Fraser Brace Engineering Co. The remaining four units, each of 34,000 h.p., at Chelsea, will be put into operation as fast as water can be procured to run them.

At Farmer's Rapids the remaining four units will be rushed to completion shortly after the start of the first one on March 1. Each unit at Farmer's Rapids is 24,000 h.p.

Public Utility Earnings

Niagara Falls Power

Quarter end: Sept. 30, 1926—	
Oper. revenue	$3,035,191
Oper. Expenses	$ 871,528
Retire. exp.	259,931
Oper. taxes	307,213
Total deduct from oper. rev.	$1,438,726
Net oper. revenue	$1,596,464
Non-oper. revenue	30,463
Net income	$1,626,927
Int. on funded debt	$ 515,503
Miscellaneous	138,343
Total deduct. from net income	$ 653,847
Surplus income	$ 973,080

Brazilian Traction

September	1926	1925	Increase
Gross Earn..	$ 3,412,431	$ 2,846,091	$ 566,340
Oper. Exp...	1,501,080	1,331,803	169,277
Net. Earn....	1,911,351	1,514,288	397,063
Aggre. Gross from Jan. 1	$29,447,035	$22,119,851	$7,327,184
Aggre. Net from Jan. 1	$16,802,431	$12,535,207	$4,267,224

The following table shows earnings for the month of September and for the previous fourteen months, with comparisons:

	Gross	Net	Increase
1925—			
July	$2,250,132	$1,290,790	$885,550
August	2,805,346	1,585,830	234,081
Sept.	2,846,091	1,514,288	69,554
Oct.	3,100,963	1,568,072	117,671
Nov.	2,911,695	1,554,038	132,209
Dec.	3,111,251	1,714,418	310,888
1926—			
Jan.	3,163,670	1,792,288	298,795
Feb.	2,893,557	1,678,787	394,445
March	3,077,791	1,763,343	417,416
April	3,021,732	1,715,372	467,494
May	3,381,959	1,950,677	628,463
June	3,487,237	2,037,453	687,008
July	3,531,663	1,990,806	600,016
August	3,476,995	1,962,354	376,524
September	3,412,431	1,911,351	397,063

Half Million to be Spent for Research

Five hundred thousand dollars is to be spent exclusively for research by the manufactured gas industry, according to a report made public at the American Gas Association Convention at Atlantic City.

The money will be used to develop new uses of gas for industrial heating operations and to improve equipment. While the use of gas in industry has grown by leaps and bounds in recent years, the industry reporting a 64 per cent. increase in six years, the gas companies have labored under handicaps in securing this business. Perhaps the most significant item has been the lack of equipment of correct design and high efficiency for the economic utilization of this fuel in entirely new uses in manufacturing plants.

GAS UTILITIES FIND CUSTOMER OWNER FINANCE POPULAR

Companies Must Accept Relationship Akin to That of Banker and Client

In reporting to the convention of the American Gas Association recently that 873,000 shares of stock were sold to 113,000 customers and employees of 59 public utility companies in 1925, S. E. Skelley, of Portland, Oregon, emphasized the fact that this new form of financing is not a bountiful cornucopia lavishing its blessings upon the company, customer and community alike without an offsetting of greater obligations. He said:

"Having sought such co-partners in the enterprise, we can neither deny nor dodge obligations which we need not have recognized had our funds been raised among seasoned and experienced investors.

"Added to the increased responsibilities to carefully manage that dividends may be paid and principal amply protected, comes a still wider responsibility which we must accept, although perhaps not so obviously, of a relationship akin to that of the banker toward his client.

"We cannot turn a deaf ear to our customer stockholders who ask our advice on other investments, but must give them proper guidance. We have a still further obligation to protect our stockholders as far as possible against the unscrupulous stock salesman who offers the holders of seasoned investments green but tempting issues of mushroom growth. It is well to keep in mind that many people have entrusted to our keeping the savings of years, perhaps of a lifetime. Our duty is to safeguard that investment."

Bell Telephone President Tells of Better Service

Facts which emphasize the Bell Telephone Company's constant effort toward making its service of continuously growing value to the public are brought out in a review of current improvement in the operation of the company's systems by the president, C. F. Sise, accompanying current dividend distribution:

From the birth of the telephone fifty years ago, there has been continuous progress towards a more useful, a more comprehensive service. This advance has involved not only constant improvements in telephone apparatus, but also in operating methods.

Perhaps the most noteworthy of recent advances, due chiefly to operating refinements, has been the introduction of what we might call "Neighborhood Service." Technically it is know as "Direct Toll Service." What it really means is that the telephone user in practically any city or town in Ontario and Quebec may lift the receiver off his telephone and ask for a number in any one of the score of towns and villages within a certain radius and be at once connected by his local operator while he remains at the telephone. There is no intervening "Long Distance Operator."

This two-number service (that is, service which effects direct connection from one number to another outside the originating exchange) is a remarkable time-saver.

A still more recent and, perhaps, more notable advance in operating methods and apparatus has made it possible to reduce greatly the time required to establish connection with more distant cities and towns. On these calls over longer distances, the calling party must still ask for "Long Distance," but that operator, instead of taking the time, as heretofore, to record the details of the call on a ticket which was then passed over to the line operator for completion, herself establishes the connection while the calling party remains at the telephone.

This latter type of service is not yet available from all your company's offices, but the necessary modifications of equipment and operating methods are being made as rapidly as possible so that throughout the system this new high speed service may be available. Where it has been in operation, it has proven most effective and satisfactory to the users of the service.

TELEPHONE ASSOCIATION OFFICERS

MONTREAL.—W. Warren, of the Saskatchewan Government Telephones, Regina, was elected 1927 president of the Telephone Association of Canada. Other officers elected were: Vice-president, O. J. Fraser, New Brunswick Telephone Company, St. John; secretary-treasurer, B. Jones, Saskatchewan government telephones, and the following directors: Gordon Farrell, British Columbia Telephone Company; W. C. Bruce, Alberta Government Telephones; K. Coddington, Manitoba Telephone System; R. Burrows, Bell Telephone Co.; S. B. Ebbert, New Brunswick Telephone Co.; A. MacKay, Maritime Telegraph and Telephone Co., and H. Sherman, Saskatchewan Government Telephones.

MONTREAL POWER DIVIDENDS

Montreal Light, Heat & Power Consolidated has declared a dividend of 50 cents per share on the no-par value common shares of the company, payable November 15, to shareholders of record October 31.

Montreal Light, Heat & Power has declared a dividend of 2 per cent., payable November 15, to shareholders of record October 31.

BRAZILIAN SLUMP REACTION AFTER SPECULATIVE RISE

Nothing Affecting Company's Real Position Has Developed

The reaction which has taken place in the market for Brazilian Traction was to have been anticipated in view of the remarkable advance which had taken place in the preceding months. It may be regarded as a correction of an over-bought speculative situation without bearing on the actual position of the company. So far as the developments affecting exchange are concerned, while they have an immediate bearing on the dollar value of the company's profits in relation to dividends, it should not be overlooked that a stabilization of the currency on a basis to insure industrial and commercial stability will probably benefit the company in the long run to an extent which will outweigh the immediate disadvantage. This would not appeal to speculators holding the stock for a "turn," but should be considered in the farther outlook. Should the market generally continue its reactionary tendency, Brazilian will probably follow the trend, but unless there are developments affecting the outlook of the company from the earning standpoint, the future may be regarded with assurance. In the meantime a price more closely reflecting a 5 per cent. dividend would seem to be a more healthy market situation.

In view of the recent rise and decline in the market for Brazilian Traction, the following comment on the situation from Moody's Investor's Service will be of interest to shareholders and investors generally:

"The continued rise in the shares of Brazilian Traction has been attributed to improved conditions in Brazil and the rather marked appreciation in the value of the milreis. A careful analysis of the company's earnings, however, reveals that, impressive though the growth may be, the possibilities of a substantial increase in the present dividend rate are somewhat restricted, at least as far as the immediate future is concerned. It was also believed that the rise was helped by talk of a possible sale of the company's telephone properties to an American group, and a corresponding distribution to the shareholders.

"The advance should, in our opinion, be ascribed to a very large extent to continued accumulation by Belgian interests in connection with plans to consolidate a group of prominent public utility concerns with which the Belgian interests are understood to be closely identified. These plans are believed to be nearing completion through the reported formation of the Hydro-Electric Securities Corporation (under the laws of the Dominion of Canada). The capitalization of the new concern will consist of $25,000,000, 5 per cent. bonds (of which approximately $20.000,000 may be offered in this market); of $25,000,000 6 per cent. preference shares (of which $15,000,000 may be sold here); and of 2,000,000 shares of common stock of no par value. The new company will probably comprise, interalia the "Sidro" organization (Societe Internationale d'Energie Hydro-Electricque); Brazilian Traction, and Barcelona Traction. Holders of one share of Brazilian Traction common are expected to receive a cash payment of Fcs. 4,000 (Belgian) and one-third of one share of the new company. The cash payment will be equivalent to about $111, while the market price of the shares of the new company on the basis of conservatively estimated earnings of $2.50 per share would vary between $25 and $35. In this way, Brazilian Traction should sell at between $119 and $123 per share, if the above plan should materialize."

That Belgian Buying

An abbreviated despatch from London contained several points of interest for shareholders in the Brazilian Traction, Light and Power Company: "Baron Schroder and Sir H. Holt, the latter representing a Canadian group, have joined the Board of the Belgian Sidro. The chairman of the Sidro meeting denied that his company is buying Brazilian Tractions. Directors of Sidro have been approached by a Canadian group connected with the formation of the new Canadian Hydro-Electric Trust, but no firm offer has been made, and the Board would not consider any proposition which lessened its holdings in Barcelona Traction and in Mexican enterprises."

The Sidro Company is a Belgian enterprise, with large interests in a number of important hydro-electric concerns, notably Barcelona Traction, Mexican Light, Heat and Power Co., and Mexican Tramways. Captain Alfred Lowenstein is the moving spirit in this company, and he has figured rather conspicuously in press despatches of late by reason of the spectacular character of his financial undertakings.

The chairman of the Sidro Company stated that his company was not buying Brazilian shares. The buying probably was not conducted in the name or on behalf of the company, but Lowenstein and other associates who figured in the purchase of the stock are so closely identified with Sidro that its ultimate destiny is certain, and whether carried in the names of private individuals or in the name of Sidro, is a matter of small moment. That this Belgian group has acquired a large interest in the Brazilian Traction Co., there is not the slightest doubt.

Substantial Increase Reported

In its report of gross earnings, working expenses and net earnings for the month of September, Brazilian shows both gross and net well maintained. The usual seasonal reduction in earnings for September as compared with August is noted, but it is also to be noted that in the case of net, the falling off is less pronounced than was the case last year, for the corresponding month.

Another substantial increase in net is shown, September's being the largest increase since July.

There has been a gradual recession in the net returns since June. The September net earnings were $1,911,351, which compares with $1,962,354 for August, $1,990,806 for July and $2,037,453 for June. There was an increase of $397.063 over the net earnings of September, 1925.

Gross earnings amounted to $3,412,431. The total for the nine months of the present calendar year shows gross earnings at $29,447,035, an increase of $7,327,184 over the record of corresponding period of last year.

LOWER FREIGHT RATES, INCREASED SUBSIDIES ARE SOME SUGGESTIONS

(Continued from page 1)

tried to make the point that the union of the three provinces would prove an excellent basis upon which easterners might better obtain increased consideration at the hands of the federal authorities. The report also points out that in the upkeep of their roads and bridges those provinces have a heavy load to maintain.

To Develop Ports

One of the major points which the commission considered was the further development of the Atlantic ports—an objective which apparently has long met with general approval in other sections of the Dominion. The commission has recommended establishing federal harbor boards at St. John and at Halifax. At present these harbors are owned and administered by the respective cities. In fact, the report advocates the further development of all the Atlantic ports. In the past Maritimers have pointed to the extravagant expenditures on such projects as the Toronto harbor by the federal government, whereas nothing has been done to build up or encourage trade on the Atlantic seaboard. It has been felt in the Maritimes that the government has usually responded not to reason but simply to public clamor in making expenditures for navigation. Naturally the clamor has been the loudest from those sections where the most votes are obtainable.

Then the present plight of the Nova Scotia steel and coal industry has been given thought by Sir Andrew Rae Duncan and his associates. The steel industry is now being considered by the tariff board—doubtless action of some sort will be taken. It is understood that the commission has advised the immediate establishment of coking plants. In order to expedite these projects, subsidies should be given the operators. Such a recommendation is of vital importance to Nova Scotia and if put into effect would do much to relieve the present unsound situation in which that unfortunate industry now finds itself.

To Help Agriculture

Agriculture is the chief industry in the three provinces. The commission feels that efforts along these lines should have every encouragement—possibly grants might be given. It is not definitely known what steps for the encouragement of agriculture are embodied in the report, but probably it recommends grants to assist in opening up new agricultural lands. Naturally, as the tariff board is giving thought to the situation of the steel industry in Nova Scotia, it receives but little treatment in the report of the commission. The effect of subsidies to coke ovens would also have a beneficial effect on coal operations of the province of New Brunswick. The latter's output is small but the New Brunswick coals are said to be well adapted to coking.

The report deals also with the railways owned by New Brunswick. It is recommended that there might be further inquiry into the St. John Valley railway with a view to its possible final acquisition by the federal government. It has long been held in the Maritimes that the federal government should have taken over this property. It is further recommended that the Kent Northern Railway also be taken over.

Twin City Below Sixty Attracts Some Attention

Falling below 60 Twin City is beginning to attract considerable attention. Holders are evidently becoming dissatisfied after their long wait for an improvement which has not made its appearance.

Reports of unsatisfactory earnings results during the summer months, showing but slight increases over the corresponding periods of last year, have provided one of the most disappointing aspects of the situation. Informed opinion, however, is that the selling has been overdone and that the stock at present levels is on the bargain counter. The earnings' report for the third quarter, which should be published shortly, is not expected to show any marked change for the better. The company is hoping for more favorable treatment in regard to its fares, but even on the present basis there is a growing feeling that the showing in net profits could be improved if it were considered good policy to do so.

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Avon River Power

Avon River Power Company earnings for the three months ending September 30th show bond interest earned just about twice over. The report follows:

Gross Revenue	$27,051
Oper. exp. and taxes	9,453
Net Revenue	17,598
Bond interest	8,937
Net earnings	$ 8,660

TOURISTS FOR NEW BRUNSWICK

SAINT JOHN.—At the end of September there was a record of 16,170 autos having come into the province from the United States, mostly via St. Stephen. This number represents an increase of 3,512 over the same period of last year.

American Lloyds Comes In

License has been issued to the American Lloyds Incorporated, authorizing it to transact in Canada the business of fire insurance and sprinkler leakage insurance.

J. E. Clement, Montreal, Que., has been appointed chief agent in Canada.

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TORONTO, OCTOBER 22, 1926

DIAMOND-STUDDED SLATES

THE rising cost of public and high school education is the subject of an able article in this issue by J. George Johnston, an Ontario newspaperman, who has followed municipal affairs closely for a number of years. No one will gainsay the importance of making proper annual investments in the education of our future citizens, but there is real cause to consider if we have not made a fetish of education to such an extent that we are shaping the ideas of the younger generation in surroundings more luxurious than our present state of prosperity warrants.

Particularly has there been a tendency to leave the expenditure of school funds in the hands of bodies that are largely not directly responsible to the tax payer for the levying of the necessary taxes. The public thus has a more remote control of such expenditures than it is entitled to.

We want a fine school system but we do not need an extravagant school system. We want boys and girls to learn more than their A B C's but we do not want to pile up taxes to give them comforts and luxuries that are not essential to a common sense educational plan. It is not the function of the public school to usurp the job of the private school, which is in a position to gratify the keenly developed tastes of some of the wealthy who demand pink tea class rooms for their children.

ANOTHER PLACE TO SAVE

WHEN the Investment Bankers' Association of America called attention at Quebec to the rise in local taxation it was speaking of a condition that is as fraught with cause for concern for business in Canada as in the United States. Across the border, there has been distinct progress in tax reduction in the federal field, but while Washington has been accomplishing much to lighten the load of national taxation upon the shoulders of business, state and municipal governments have been enjoying a spending spree that has not merely offset the savings at national headquarters but has added immensely to the total tax burden.

In Canada, there has been no marked tendency to economy in municipal and provincial expenditures generally and figures compiled by various authorities substantiate this view. In Eastern Canada, particularly, the local governments have spent freely on new public works, and on frills and fancies in government and have created a situation that requires close attention.

If economy in federal affairs is thought desirable and reductions in federal taxes are demanded, then, equally, business-like administration of provincial and municipal affairs is to be sought after.

ARE BIG FAIRS DONE?

IS THE day of the world's fair past? Wembley was a success as a piece of Imperial propaganda, but commercially it was a serious failure. Now the Sesqui-Centennial Exposition at Philadelphia, commemorating 150 years of American independence is proving to be the greatest exhibition fiasco in history. Five million people have attended a show that was staged on a scale commensurate with the 25,000,000 attendance expected. Five million dollars has been lost and must be paid by the citizens of Philadelphia in addition to the millions invested in buildings, lost by exhibitors, etc. Entrancingly beautiful buildings attract a handful of people daily. One scheme after another to put the big show over has fallen down.

Immediate causes for the failure are not hard to find. It has rained on a majority of the Exhibition days. It has rained for every important outstanding event scheduled. The show has been badly managed. It was late getting started and some of the buildings are not yet finished, although the show was to have closed on Oct. 15 and has been extended only a matter of a few weeks further.

Back of these facts, though, arises the question, now being asked across the border, if the world's fair is not a thing of the past. The wonders of the world are open to all. The motion picture, the radio, the cheap travel and education and larger incomes have all combined to spread world knowledge so that the fascination of a big show like the Sesqui is not what it once was.

Unfortunately the Philadelphia show does not provide the answer, since it has been so badly bungled by its managers and so badly treated by the weather. But it will make other cities more wary of attempting large scale expositions in the future.

CORNER STORE STAYS

OF COURSE, the question of price maintenance in Canada has not been settled by the recent report of the registrar of combines, who declared the Proprietary Articles Trade Association — the price maintenance body in the drug trade—illegal and a combine. The P.A.T.A. has been given an opportunity to lay its case before the government and it will undoubtedly fight back. It may be forced to modify its plans to some extent, especially as regards practically forcing price maintenance upon the entire drug trade, regardless of varying costs of doing business in different classes of stores. In the meantime, individual manufacturers are taking steps to prevent price cutting of their own branded lines.

The registrar's report which was prepared in collaboration with Prof. W. A. Mackintosh, professor of economics at Queen's University, is an able document, to be commended for its intelligent and valuable summary of modern tendencies in merchandising. No more significant feature appears in it than its recognition of the importance, even in these days of mail houses, department stores and chain stores, of the "unit" store, the independent retailer.

The report states:

"After all, the fields of the chain store and the department store are strictly limited. They cannot operate apart from the large centres of population, which fact, of itself, suggests that the secret of their success lies in mass merchandising and its economies, rather than in tricky advertising of price leaders. The neighborhood drug stores have convenient locations, which enable them to serve a clientele which the chain stores cannot reach. The chain stores have made, and will continue to make, inroads on the unit store; they have found progress easy, because of the slackness and inefficiency of many small merchants. Naturally such inefficiency in the face of keen competition, has been responsible for business failures. From the viewpoint of the public interest this should be regarded, not necessarily as an evil, but as a beginning in the solution of the problem of the excessive number of drug stores.

"Few will question, however, the public advantages which lie in the retention of the neighborhood store and the small merchant; the bulk of the evidence obtainable is to the effect that the unit store cannot be wholly displaced by the chain and the department stores, and that there is a definite saturation point for the latter in any community. The unit store has been stimulated by the new competition to greater efficiency, and is coming to find its place in the service of the community; it can hold its own in the field without any artificial protection designed to guarantee profits and to prevent price competition."

ENGLAND'S TELEPHONES

ENGLAND is beginning to wonder if public ownership of its telephone system is not keeping the nation behind other countries in the use of this great aid to business.

Writing in the Daily Mail, an engineer declares:

"In this country the bureaucratically managed telephone is a luxury of the well-to-do. In America, where there is a telephone to every six or seven people, practically every working man is on the wire, and so is practically every farmer. In England large country houses containing invaluable art collections burn down because there is no telephone to call the fire brigade. People living in the country have to send for the doctor on foot or on horseback exactly as they did in the Middle Ages.

"All over Europe the telephone is managed, or rather mismanaged, by officialdom. In America the telephone is a private institution, and the result is that the United States, with 110,000,000 inhabitants, has considerably more than twice as many telephones as all Europe with four times as many inhabitants.

"It is time we denationalized the various public services, which can be carried on far more cheaply and far more efficiently by private enterprise, and a beginning should be made with the telephone."

"TO MARKET, TO MARKET!"

RESENTMENT has been expressed by Maritime newspapers at the suggestion voiced in the central provinces that in the Maritimes there is too much disposition to complain about the injustices of confederation and call upon parliament for help, when a great deal could probably be accomplished by tackling the problems to be solved with determination and energy. This attitude has not been one of opposition to the policy of sending delegations to Ottawa or to the general campaign for "Maritime rights," but rather a suggestion that there has been more "praying" than "working," and a tendency to forget that "Providence helps those who help themselves."

Now we find the Maritime Merchant, the editor of which is a keen student of business and economic conditions in the eastern provinces, saying that it is not lack of opportunity, but failure to rise to opportunity that is keeping back the Maritime Provinces.

It is surprising how many people are indifferent to the fundamental conditions of success in their own line of trade. We are accustomed to look upon the fruit growers of Nova Scotia as fairly progressive men; and yet, while there are excellent examples of up-to-date and businesslike handling of their business among the fruit growers, there are some of quite the other kind. If only all the less enterprising growers would strive to bring themselves up to the standard of the more successful, it would make a profound difference in the prosperity of our fruit industry as a whole.

Not long since, J. Forsythe Smith, Canadian fruit trade commissioner to Great Britain, addressed a meeting of fruit growers at Kentville, and told them among other things that a few packers in the valley stood high with the British buyers and brokers, but the average pack was very much inferior to what it should be. Even in an ordinary year, he said, inferior grades would run from 25 per cent. to 50 per cent., and no export country could build up business on that basis.

The interest of most of our readers in this topic is perhaps only indirect, but we think it worth while referring to this fact as an illustration of what we have frequently contended, namely, that it is not lack of opportunity that is keeping us back in the Maritime Provinces, but failure to rise to the opportunity. Quality of fruit and consistently good pack are the outstanding requirements for prosperity in the Nova Scotia apple growing industry; for while flavor and quality of Nova Scotia apples are equal to the best, from the standpoint of selection, in packing and grading, a very different story must be told. Perhaps the average grower who falls down on these points and fails to prosper as a consequence, may have some explanation for his failure apart from lack of intelligent effort, but the fact that there are people in the industry who make a success by following the lines indicated, suggests that the men who fail are not the victims of circumstances, but rather of their own shortcomings.

What the Maritime Merchant says of the Maritime Provinces is true of other parts of Canada as well. Canada's problem is not so much one of production—for she has cheap lands, efficient labor and plenty of raw materials—but one of marketing. If our food products are to bring a fair return, then modern methods of getting them to the consumer must be consistently followed.

PAYING FOR IDLENESS

ACCORDING to trustworthy reports from Great Britain, the doles to the unemployed during the year 1925 aggregated £4,730,000 sterling. Nearly one million were recipients of this bounty, and it is estimated that fully one-third of the recipients received more in doles than they would have received if employed at the regular occupations. The great coal strike has been responsible for much of the government charity. The Monthly Review of the Midland Bank Limited says:

From whatever angle the question is examined, the conclusion is inevitable that we as a nation are paying here and now the costs of the dispute—just as the combatants were paying for the war in 1914-18—by means of a reduction in the standard of living, with all its attendant social evils and ill effects on the efficiency of coming generations. The results, however, are cumulative—they are unhappily not confined to our own day. The check to renewals and accumulations of capital may express itself in a lower standard of living in the future than would otherwise have been found possible, and this may occur not only directly, but indirectly through the clog on our power of competition in international trade. It is possible no doubt that circumstances may conspire to bring about a rapid recovery to the standard of living enjoyed before work was suspended in the mines. But such circumstances are not themselves likely to be attributable to the dispute, so that even in this event it will remain none the less true that the standard of living would have been higher in the future had the stoppage never occurred.

The British strike is now collapsing. Many of the workers who have been idle and have been receiving doles are returning to work and wages. Many others will find their places taken, and will continue as charges on the community. The British people as a whole, the workers themselves included, will, for a long time continue to bear with the burdens of the war the burdens of this economic strife, and the standards of living of all classes will suffer. The effects of this period of idleness may prove even more serious than the direct losses already sustained in the undermining of individual initiative and responsibility, which are so important in relation to that individual production essential to national prosperity.

EDITORIAL NOTES

THE WEATHER forecast for Ontario is "scattered showers."

* * *

WITH Henry Ford's men working five days a week over his cars, they now have two days a week to work under them.

* * *

OUR HARDY pioneer ancestors did not wear their B.V.D.'s all winter and go without hats as this generation is tending to do.

* * *

IF NEW YORK cleans out its slums, Montreal will have to keep in line by tearing down a few thousand hideous outside staircases.

* * *

AMONG the manifold results of the customs inquiry is the present policy of taxing partial packages of cigarettes in the pockets of returning travelers. Another is the fining of a Toronto office woman $68 for a broken package of cigarettes found in her bag. The inquiry was not intended to introduce European red-tape into Canada.

Reduced Expenditure, Stability in Tariff Should be Our Rule

Hon. Rodolphe Lemieux Tells of Opportunities Presented by Canada — Resources Great, Government Stable and Investments Secure

By HON. RODOLPHE LEMIEUX, Speaker of the House of Commons, at Quebec.

WE HAVE on this continent a joint trustee-ship. Our task is not only to explore hidden wealth and develop vast resources; not merely to seek material prosperity. But greater still, and above all, is the duty to conceive ideas and fashion ideals likely to be of enduring benefit to mankind. The real strength and greatness of a people lie in the social, moral and intellectual well-being of its citizenship.

Upon the new world are being thrust vaster obligations, responsibilities and opportunities than were ever known to the old. Geography has placed the United States and Canada midway between other continents, and the problems arising for each of us out of the new contacts will be much the same. Let our friendships be fast and sure. In the fashioning of world ideals British, American and French endeavor must go hand in hand.

Canada Emerges as a Nation

Canadians are fully cognizant of their emergence as a nation and the great responsibility the status implies. Yet they face the future confident and unafraid. Sir Wilfrid Laurier, contemplating the evidences of prosperity which abounded on all sides in his native land predicted that the twentieth century was Canada's century. It was not an idly spoken prediction and seems to be in a fair way of fulfillment. From 1897 to 1914 our progress was manifest. Before that period, we were merely struggling, just plodding along. The Canadian west was yet unsettled in the first stages of that era; the Canadian Pacific Railway linking east and west had just been completed. There was no immigration to speak of, while there was a trend of migration to the United States. But 1897 marked a turn for the better. Canadians were encouraged to seriously take stock of their capabilities and develop to the full the splendid heritage which nature laid at their feet. Within a few years, courageous pioneers had carved farms out of the prairie lands, garnered grain crops that astounded the world and founded thriving towns and cities in this vast western domain.

Newcomers Flock In

New provinces were created, and this far-flung territory, for centuries the undisputed possession of buffalo herds and nomad Indian tribes, became in a little more than one score years the world's granary. A steady tide of almost a half million newcomers, all eager to have a share in the upbuilding of a young and virile country, was yearly flowing into the land.

1914 had dawned promising. Nothing portended the long and fateful years that were shaping. When, all of a sudden like a flash of lightning in the midst of a glorious summer, the first rumblings of a cataclysmal struggle were heard at a distance. The great world war was on us with its long and sombre periods of supreme trials, of hopes deferred, with its unending trail of holocausts on land, in the air, and on the seas. As weeks and months elapsed, the yoemen gathered from the deepest recesses of this broad Dominion, and the steady tramp of regiments began, as if marching in rhythmical order, with the roll of the drums. With unfaltering steps, the rays of a Canadian autumn sun glinting on their bayonets, the first contingent reached Valcartier, impatient to board the Argosies bound for the battlefields of France all ablaze with the deadliest conflict ever witnessed between might and right.

Canada's Part in War

Canada and her people engaged wholeheartedly in that titanic struggle. More than a half million Canadians enlisted for service and of that number 60,000 gave their lives as the supreme sacrifice of this nation to the cause of the world's freedom. Canada also contributed unstintedly of her material resources in furtherance of the Allied cause. In fact, she contracted a huge war debt to ensure that her contribution would be effective. The struggle in which your own country took a notable and decisive part brought glory to Canada. The prestige of Canadian nationhood was heightened abroad. Our status grew in the Empire. Throughout the world, Canada has become both a participant and a factor in world affairs. In the field of international relations we have made great strides. Thirty years ago, our country was unknown and virtually ignored in that sphere. Canada did not appear anywhere. Kept aside of international parleys and diplomatic discussions, this country had to accept obligations and decisions in which it had little or no say. That situation has changed so rapidly that the importance of what took place still escapes the attention of many Canadians and remains almost inconceivable for people of foreign countries.

Now Sign Our Treaties

To-day, we negotiate and sign our trade treaties and covenants by the medium of our own representatives. At international conferences, our delegates make themselves heard, sometimes with great authority. Recognition of Canada's status and the capacity of her representatives was signally marked just a year ago when one of our most distinguished French-Canadian citizens, Senator Raoul Dandurand, was called to the presidency of the League of Nations Society then in annual assembly at Geneva.

After the Armistice came the many problems arising out of war participation. These problems kept Canada fully occupied for a time and are still engaging the country's attention. Then we turned to the interrupted task of developing Canada. The chaotic conditions which followed the turbulence of war in European countries made necessary the adoption of a policy of selective immigration. And to-day, all indications point to another great time of immigration reminiscent of pre-war times setting in shortly.

With the close of the world struggle now almost eight years distant, Canada is entering upon another great era of prosperity. Unmistakable economic signs that we have successfully turned the corner are not wanting. Like a mammoth locomotive, the Dominion of Canada is again working under a full head of steam, and many record marks of other years in various fields of activity are bound to fall by the wayside.

Gentlemen, the health and pulse action of young man Canada were

(Continued on page 14)

Other People's Views

Another Remarkable Remark

One Big Union Bulletin, Winnipeg.—It is a truism in labor circles that if a union is worth its salt, it is continually in conflict with the boss.

U. S. Papers in Canada

Toronto Telegram: Question may be raised if the great future Mr. Adolph Ochs, of the New York Times, sees in Ontario is a future for Ontario so much as a future for the New York Times with the aid of Ontario's pulp and paper.

When New York capital becomes philanthropic it is, generally speaking, time for Canadians to double the safeguards on their national resources.

Not Time for Puzzles

Ottawa Journal.—It may be that some way will have to be found for more frequent empire consultation.

But we are in a transitional stage which may endure for a long time. What's to come is still unsure. In the meanwhile the chief need is not to invent constitutional solutions for the theoretical puzzle, but to establish the habit of consultation on facts. If that be the chief concern of the conference, which opens shortly, a good purpose will have been served.

An Electoral Farce

Edmonton Bulletin: The people of Alberta are compelled to choose the members of the provincial legislature under an election law which is an adroit blend of proportional representation and the preferential system of balloting.

Results show that this happy arrangement worked out as follows in the provincial elections held last June, round numbers being used for the sake of clearness.

9,900 Conservative votes elected a member;
6,300 Liberal votes elected a member;
2,200 Labor votes elected a member;
1,654 U.F.A. votes elected a member.

One U. F. A. voter had the electing power of four Liberals or five Conservatives.

Liberals and Conservatives together polled 84,000 votes—and elected 11 members.

The U. F. A. and Labor parties polled 82,000 votes—and elected 49 members.

Will the author of the War Times Election Act and other kindred celebrities please stand uncovered before the unknown genius who devised the smoothest working piece of election machinery ever given plans and specifications in a Canadian law book?

Fifteen-cent Shoe Shines

Commerce and Finance, New York.—"Can we continue to pay 15 cents for having our shoes shined?" is a question recently asked by a very wise man whose wisdom has made him successful.

He explained that his inquiry was prompted by the fact that the bootblacks in the "shoe cleaning parlors" now expected and were generally paid a tip of five cents in addition to their advertised charge of 10 cents for not more than five minutes work. He added that no one seemed to begrudge the tip; that everyone from the office boy to the millionaire appeared to have the money, and he feared that America had lost consciousness of the fact that a nickel was the interest on a dollar for a year.

As Others See Us

Another Washington Idea

Moose Jaw Times.—The Financial Post says that ministerial by-elections are "a relic of the past that ought to be abolished," and that "in fact, our whole cabinet system is out of date." "The prime minister should be given the opportunity of choosing his advisers and administrators from among the best men in the country and should not be restricted to members of the House of Commons or Senate. Such a system has worked well in the United States and gave Mr. Coolidge, Mellon, and Hoover." Strange, is it not, how the "Washington idea" of high tariffs and systems of government appeals to Conservative papers in Canada? Now, the real test of a system of government is the results obtained; and, judged by this standard, the Canadian system is not only more democratic, but has produced better government; and, man for man, over a long period of years, the members of the Canadian cabinet have measured up with the men of other governments, including the government of the United States. During an election campaign Conservatives spent a great deal of effort assuring the electors that "we Conservatives are loyal to the British connection," but our observation is that the Tory mind in Canada is an adjunct to Washington ideals. "Big business" in Canada has enough influence in the government now, without adopting a system under which business men could constitute the government for a full parliamentary term without any recourse for the people. Under the Canadian system the premier can generally call to his cabinet any man big enough to get a constituency to elect him.

Knowledge
v.
"Hunches"

The difference between the speculator who profits and the one who doesn't is that the former buys or sells on actual knowledge of values and the other on "hunches" or "tips".

If you are interested in any listed or unlisted security, we will supply you gratis with information that will enable you correctly to estimate its value.

Don't hesitate to write us

Cochran, Hay & Co., Limited
TORONTO
Dominion Bank Bldg.
KITCHENER 83 King St. West
LONDON Dundas Building
LONDON, E.C. 2, ENG.
Gresham House-Old Broad St

New Issue

Republic of Chile
6% External Sinking Fund Gold Bonds, due April 1st, 1960
Price: 93.25 and Interest, Yielding 6½%

We recommend these bonds for the following reasons:

1. No Chilean Loan has ever been in default either in principal or interest.
2. Chile is on a gold basis; it has a favorable balance of trade; and its currency is now quoted at par in New York. It is the second largest producer of copper in the world and the largest nitrate producing country in the world.
3. American investments in Chile have increased from $200,000,000 in 1920 to over $400,000,000 in 1926. American companies engaged in Chilean industry include the Anaconda Copper Company; Kennecutt Copper Company; American Smelting Company; E. I. duPont; Atlas Powder Company.
4. The bonds will be payable in New York and London at par of exchange. Application will be made to have them listed on the New York Stock Exchange, thus providing a ready market at all times.
5. Chilean loans made in America in 1921 and 1922 have shown a capital appreciation of over 7.50%.
6. At 93.25 and interest the bonds yield 6½%, which we consider is a splendid return on a bond of this standing. Our experience has been that loans of this type are very quickly oversubscribed and, consequently, we would suggest that you communicate with us at once, so that the amount you are able to purchase may be set aside for you.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

British Columbia

4½% Gold Bonds

Dated June 29th, 1926. Due June 29th, 1954

Principal and half-yearly interest (June 29th and December 29th) payable in Canada and also in United States gold in New York.

Denomination $1,000

Assessed Value of Property for Taxation Purposes $820,407,268
Total debt of the Province including this issue...... 97,546,981
Sinking Funds 14,256,954
NET DEBT $83,290,027

Population, 1921 census—524,582. Area—355,855 sq. miles.

PRICE: 93.96 AND INTEREST YIELDING 4.90%.

Full information on request.

A. E. AMES & CO.
LIMITED

Investment Securities

53 KING STREET W. - TORONTO
TRANSPORTATION BLDG., MONTREAL
BELMONT HOUSE, VICTORIA, B. C.
LONDON BLDG., VANCOUVER, B. C.
11 WALL STREET - NEW YORK
GRESHAM HOUSE, OLD BROAD ST., LONDON, ENG.

Business Established 1889

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Montreal Power

I bought 50 shares of Montreal Light, Heat and Power Consolidated recently at 72. Do you consider this to be a wise purchase?

The market price of Montreal "Power" common stock may, in the immediate future, move up or down, we do not know. On the other hand, for a long term investment, you could hardly have done better than to purchase this stock. The recent change in the company's capitalization means that from now on half of the total capitalization will bear the fixed interest rate of only 5 per cent. per annum—thus, we believe that the outlook for the common shares is excellent.

Shawinigan

I own 50 shares of Shawinigan Water and Power which I purchased at a price considerably below the prevailing market levels. Should I still hold it? What is the outlook for the future?

We believe that you would be perfectly safe in forgetting about your fifty shares of Shawinigan for the next five years—at the expiration of that period, we believe that there will be a still further market appreciation of the stock due to the programme of expansion which the company has undertaken. Shawinigan is probably in as favorable a position as any power company in North America.

German Bonds

I notice in your issue of September 24 that you have answered a query on German bonds. Now, I am the owner of the following, which I purchased earlier in the year: 100,000 marks, City of Hamburg, 4½ per cent. bonds, 1919, series "B" issue, and 10,000 marks, Prussian Consul, 3½ per cent. bonds. Would you be good enough to let me know whether anything has been done regarding the redemption of these bonds and also the prevailing market for these issues?

The latest quotation on city of Hamburg 4½ per cent., 1919, series "B" bonds is $122.50 bid and $132.50 asked per million marks.

It is reported that this issue will probably be redeemed by new bonds bearing interest at 4 per cent from January, 1926, at the rate of 500 gold marks to the million paper marks. This is equivalent to about $119 per million marks. There would also be accrued interest. If the exchange is to be made, it will not be authorized before November 1 next.

The present market for Prussian Consul Bonds bearing interest at 3½ per cent. is $1.50 asked and $1.35 bid per thousand marks.

These, it is said, will be redeemed at 2½ per cent. of their par value in new 30 year bonds. These new bonds would not bear interest at least until the reparation question is settled. The exchange will be made at the rate of 25,000 gold marks per million paper marks.

Steamers Bonds

I have holdings of government and municipal bonds and am considering now the purchase of one of the 6 per cent. bonds of the Canada Steamship Lines. Please let me have your opinion on this investment.

The 6 per cent. bonds of the Canada Steamship Lines may be regarded as a reasonably safe investment. The company has slowly but surely bettered its position over the past few years, and the acquisition of the Playfair and George Hall Coal and Shipping lines places it in a much improved position for the future. Earnings applicable to bond interest during the current year are estimated at $3,500,000 as against interest requirements of $1,320,000. The depreciated value of the assets after deducting prior charges amounts to over $31,000,000 as against the present issue of $18,000,000. Moreover, we believe, the benefits from the enlarged fleet will not make themselves felt to the full until 1927. Thus, you will see that the issue is well secured both as to assets and earning power.

Bell Telephone

A client of mine, a professional man, is considering the purchase of Bell Telephone stock. Please let me have your opinion of this security.

The earnings of the Bell Telephone Company in the future depend to a great degree upon the outcome of the company's application for a revision of rates presently being heard by the Board of Railway Commissioners of Canada.

Last year, as you are aware, the company after charging depreciation did not quite meet its dividend requirements. The company is now asking for an increase in its rates which will allow it to earn the dividends and to credit a sufficient sum to depreciation account.

The company has steadily maintained an 8 per cent. dividend for many years, and has never split its stock or "cut any melons."

We should say that over a term of years the company will be allowed to earn sufficient to meet its dividends regularly and to maintain its property and create a proper reserve for depreciation. We believe that the stock would be a good purchase for a professional man. Possibly the company may soon issue new stock; thus the shareholders would obtain valuable "rights" to the new issue.

Three Industrial Bonds

A friend of mine is considering investing in the bonds of the Brompton Pulp and Paper Company, the Ste. Anne Paper Company and the Canada Steamship Lines. I have the earning figures of these companies, but I should like to check up my own opinion of these securities with yours. Perhaps you would be so good as to give me a word or two about the management of these companies, the position which they occupy and the outlook for the future.

Brompton has always maintained a satisfactory liquid position. This year, earnings have increased and, with the completion of the new newsprint mill, it seems safe to anticipate that earnings will increase still further during 1927. The company is amply supplied with valuable timber holdings—an asset which is of much importance. The recent financing is a constructive move and simplifies the company's financial structure considerably. The management is reliable and the future of Brompton, we believe, will reflect the general level of prosperity, as it affects the pulp and paper producers as a whole. The company has a wide range of production, which runs the gamut of the pulp and paper field. It also operates two plants in the United States and, while the operations of these plants have not been altogether satisfactory during recent years, yet conditions are improving. The bonds appear to be an excellent investment in the industrial bond class.

The chief feature of the bonds of the Ste. Anne Paper Company is the fact that the company will be owned and controlled by interests which have a long record of successful achievement in the pulp and paper field. Naturally, the bonds sell on a higher yield basis than those companies whose plants have been in operation for a number of years. The Ste. Anne Paper's plant will commence operation with an output of 250 tons of newsprint per day in the spring of 1927. You will note that, ranking after the first mortgage bonds of this company, there are debentures of some $2,000,000 to be outstanding, and cumulative preference shares of $2,700,000 to be outstanding. Thus, you are assured of a good equity behind the bonds. The future of the company depends solely upon the situation in the newsprint industry generally. During 1927, there is no indication of any reduction in prices. On the other hand, there is a considerable volume of added newsprint production coming on the market during the coming year, and this might perhaps result in a slowing up of the operations of some of the mills. However, it seems to us that practically all the newsprint companies should be able to meet any slowing up in the industry without affecting present dividend payments and, certainly, without affecting bond interest. In any event, the newsprint industry is indigenous to this country and is bound to grow. Therefore, we believe the bonds of the Ste. Anne Paper Company to be a good investment in the 6½ per cent. yield class.

Some years ago, there was a shake-up in the management of the Canada Steamship Lines. Since that time, the company has steadily been making progress, and the Coverdale administration is popular, not only with investors, but also with those actually in the employ of the company. The recent consolidation of the Canada Steamship Lines fleet with the fleet of the Playfair interests, we believe, will eventually bring about many savings and result in increased earnings. The company is, in reality, a public utility and is the dominant Canadian shipping company of the Great Lakes. We would say that the recent issue of bonds would prove a very satisfactory investment.

Foreign Bonds

As a new subscriber to your paper, I would be glad if you would answer the following questions for me:

(1) What is your opinion of the 6 per cent. bonds of the French Government as described in the enclosed advertisements?

(2) Could a government repudiate bond issues such as this?

(3) Would you advise me to do business with the firm of C. M. Cordasco & Co., of Montreal?

(4) If in your opinion these bonds are not a good investment, do you not think they would be a good speculation for a small investor?

Here are the answers to your four questions:

1. Our opinion of the French government bonds as described in the advertisement which you sent us is that they are rotten. One thousand francs is quoted at $28; we telephoned the firm advertising the bonds at this price and asked for a quotation. They told us that the present quotations was 20 bid and 22 asked. You can see, therefore, that you would be very foolish to consider these bonds at $28.
2. Yes, if it desired to do so.
3. No, we would not advise you to do business with C. M. Cordasco & Co.
4. No, we think the small investor should leave foreign bonds alone.

As a new subscriber to The Financial Post, you will not have read the many articles which we have run from time to time on foreign bonds. There are firms who deal in these securities and who will always quote you both a buying and a selling price. At best though, such purchases are out-and-out gambles.

We do not see much chance for any increase in the price of the French franc. If the French government raises the price of the franc to say 5 cents, this would mean that the price of commodities in the country would decline. With prices falling, business is never satisfactory. Therefore, it seems to us, that the desire of the French people will be to stabilize the franc rather than to push it up—at least for many, many years.

Thus, as there is little or no chance of any increase in the price of the franc, there is little or no chance for any increase in the price of the bonds.

We would again urge you not to gamble in foreign bonds—that is, foreign bonds of countries with depreciated currencies. However, if you desire to gamble in this fashion, we should advise you to get in touch with a reliable dealer in such foreign securities. We could give you the names of reliable firms trading in these bonds.

Invest Now in Canada's Growing Industries

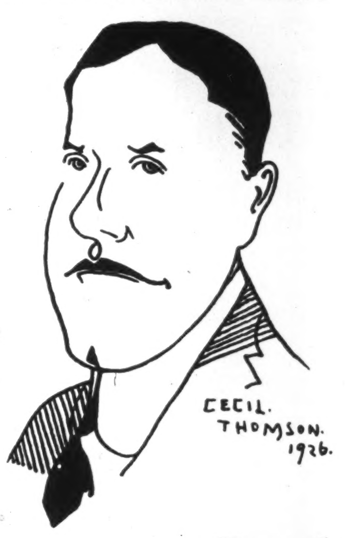
Sound reasons why immediate investment in the securities of Canadian basic industries is desirable are outlined in the current issue of our publication *Investment Items.*

If you are an investor you should read this publication. Copy free on request.

INVESTMENT ITEMS

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York

Canadians in Caricature—No. 4


CECIL. THOMSON. 1926.

Governor Gundy

WHEN the Investment Bankers Association of America elected J. Harry Gundy of Toronto as its Canadian governor, it recognized fittingly the man who has probably been the busiest Canadian investment banker in the past five years. In association with a group of powerful workers for Canadian prosperity, of whom Sir Herbert Holt is a leading member, Mr. Gundy has consolidated the position of an important part of the Canadian paper industry and has brought to the fore, in the field of corporation finance, the firm of Wood, Gundy and Company, which was long the leading government and municipal bond house in Canada.

Mr. Gundy is always quietly on the move. One never finds him head over heels in work; never hustling about; but always accomplishing things so big in their scope and so complete in their detail as to arouse much admiration and not a little envy.

How a man so many years away from the point of retirement into a life of comparative ease finds so much time to interest himself in church work, boys' work and international finance, as does Mr. Gundy, is a mystery that only Mr. Gundy's most intimate co-workers could solve.

Harry Gundy labors quietly and effectively but he does not find gold at the foot of every rainbow that he follows to its furthest tip. Somewhere in his private office there are voluminous reports on British Empire Steel Corporation that represent the investment of many hours and many thousand dollar cheques. And his office desk could tell an enlightening story of Algoma Steel as well. Gundy looked into both of these but decided against playing Atlas to their burdens.

Here is no "hail fellow well met" type; here is no booster club member; here is no jolly soul to sing lustily around a festive board. But just as truly you have in Gundy no man of ice and iron to whom a new dollar is a new conquest. He is an individual type in finance; very much a Canadian type. Of Gundy it can be said that he gets there just the same.

FOLKS and Finance

HAROLD M. CAMERON, a former member of the staff of The Financial Post, is now doing special research work for the Electrical World in New York City. He is financial editor of that publication. While New York is his headquarters, he will get around the United States and Canada to a considerable extent and a present member of The Financial Post staff bumped into him on the street in Washington the other day. The Post man had just been into the United States treasury department to get some views on the probable American taxation program, and as he was coming out met Cameron going in. Which just proves how small this little world is. Two of The Financial Post staff met in Winnipeg, while moving across Canada in opposite directions, a few days ago, and two other members of the staff met unexpectedly in New York City, neither knowing the other was there.

TRANSPORTATION is an inherited taste with E. W. Beatty, C.P.R. president, who has just turned 49. His father, besides being a shipping man, was interested in railway construction. After Henry Beatty came out to Canada from the north of Scotland he sought his fortune in the gold diggings of Cariboo. It proved fortunate and so did some extensive investments in the Beatty-Sarnia line controlled by his cousins. After his father's entry into the shipping business, some of Henry Beatty's ships carried rails and other supplies from Sarnia to Thunder Bay to help build the line over which his son now presides.

Twenty years ago Mr. Beatty entered the services of the Canadian Pacific as an assistant in the law department, and in twelve years became general counsel. His work made him thoroughly familiar with every phase of the company's activities. When he was chosen president, Lord Shaughnessy characterized him as "one who enjoys to a marked degree the confidence not only of the political and business leaders of Canada, but also of every employee of the Canadian Pacific itself."

POST-Scripts

KEEPING his business up-to-date is one of the biggest problems of every business executive. As soon as any kind of business falls one step behind in attuning itself to the advance of the world it begins to lose out to its competitors.

This applies to the small town newspaper as well as to the big manufacturing industry. Our hats are off to the Bridgeburg Review for its enterprise in publishing an "Extra" edition of its paper, giving an account of a ball game between the Bridgeburg and Deloro teams. "Extras" are not uncommon in journalism, but an extra edition of a small town weekly paper, produced as well and as throughly as this one was produced, is an occurrance so rare as to call forth high tribute.

The Review arranged for a special running account of the game to be telegraphed from Deloro. The last wire came in at 7.10. The presses were running at 7.30 with a complete story of the game play by play, with the final box score and a general story. At 7.55, the entire edition was on the streets. People bought them by hundreds at a nickel a copy and it is recorded that the Review made money on the Extra, although the primary purpose in producing it was to serve the community and keep in step with the world.

A beautiful bridge is now being completed, connecting Buffalo with Bridgeburg and Fort Erie. Population figures are likely to jump and the community will likely soon offer a better field for the publication of a newspaper than ever before. But our guess is that the publishers of the Bridgeburg Review have the field "sewed up" tight. Such enterprise as they showed in producing an extra on the pattern of the big Metropolitan baseball extras will protect them against serious competition.

Diversified Investments for October Funds

Our October List summarizes in concise form the essential information on well diversified groups of government, public utility and industrial bonds and preferred stocks.

The requirements of any investment can be met from this list and it will be helpful to you whether you are an investor of long experience or an investor contemplating a first purchase.

Income returns range from about 4½ to about 7½%.

Write or telephone for Investment List No. 4.

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Members Montreal Stock Exchange

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also Mount Royal Hotel Building

TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

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Our Selected List of Bonds

This list is being constantly revised and is a reliable guide for the investor who requires safety combined with the largest possible yield. We will gladly make suggestions to meet your particular needs without obligating you in any way.

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News of Investment Markets

FOREIGN ISSUES SHOW TENDENCY TO CORPORATIONS

Government Loans Less Important as Rehabilitation Work Concludes

Canada takes a share of practically every foreign government bond issue offered in the United States, which is now the great money market of the world. Thousands of Canadian investors hold bonds of various European, South American, and other foreign governments and corporations.

Foreign government securities were the subject of one of the most valuable of the reports at the Investment Bankers' Association Convention in Quebec City. Howard F. Beebe delivered the report.

The market has continued to absorb a heavy volume of foreign investments. According to compilations of the Department of Commerce, foreign securities publicly offered in the United States between July, 1925, and July, 1926, aggregated $1,302,339,000. This amount is somewhat below that of the corresponding period for the previous year, when it totaled $1,381,691,000. These two years have thus added well over two and a half billion dollars to our foreign holdings, which at present may be estimated at about $11,000,000,000. This international financial position of the United States is in marked contrast to that occupied in 1914, when our capital abroad was estimated at about $1,500,000,000, and our obligations owed to foreigners aggregated approximately $4,000,000,000, thus leaving a net indebtedness of around $2,500,000,000.

Near End of Rehabilitation

It is interesting to analyze the changing nature of our foreign investments with particular reference to the obligor and to the geographic distribution. Our pre-war investments consisted mainly of proprietary interests, such as factories, plantations, or mines in foreign countries. During the war and post-war period large issues of foreign public obligations were placed on the American money market, so that at one time the volume of foreign government and government-guaranteed obligations almost equalled the amount of industrial securities and direct investments abroad.

In recent months the volume of government and government-guaranteed securities has declined in relative importance. In 1924 they amounted to 88 per cent. of the total for the year, while in 1925 they were only 63 per cent., or $647,000,000. At the same time foreign corporate issues increased almost fourfold, or from $103,000,000 to $384,000,000. This does not include the sum placed directly in foreign industrial enterprises through the purchase of internal securities. These figures seem to indicate that the task of meeting the needs of European governmental rehabilitation and currency stabilization is nearing completion, while the problem of satisfying the requirements of world-wide industrial reconstruction is becoming more important. Thus, in the future, after the currency stabilization in France, Belgium and Italy has been accomplished, the American capital market will probably handle a growing volume of foreign corporate rather than public securities.

Investments Heavy in Europe

There have also been marked changes in the geographic distribution of our foreign investments. Before 1914 they were placed mainly in nearby countries, such as Canada, Mexico or Cuba. Since the war the volume of our investments has greatly increased in Europe. This has been particularly true with respect to Germany. Practically no German issues were offered in this country before 1924, when the American participation in the loan under the Dawes Plan amounted to $110,000,000. From July, 1925, to July, 1926, German issues to the amount of $336,000,000 were placed in this country. These figures apply only to such German loans as have been publicly offered, and do not include the purchase of large amounts of internal stocks and bonds directly from the German capital market. The total of these German borrowings from the United States is estimated at around one billion dollars.

Many Active Foreign Issues

The steadily expanding interest of the American investing public in foreign securities is, perhaps, best evidenced by the impressive growth in the listing and the turnover on the New York Stock Exchange. While in 1913 there were scarcely a dozen different securities listed on the New York Stock Exchange, the number of foreign issues now dealt in amounts to 145. This increase in the internationalization of the stock exchange is evidenced even better in the turnover. The aggregate of foreign loans traded in the New York exchange in 1913 amounted to but $3,459,000, while the total for the past year aggregated $637,630,000. For the first eight months of the current year the turnover was $447,220,500, or at an annual rate of $670,630,250.

Tendencies Affecting Securities

This report cannot, of course, undertake a detailed analysis of all the financial tendencies which have affected the credit standing and the market position of the foreign securities dealt in in the American market. However, a brief review may be undertaken of the leading movements during the year.

Inter-governmental Debts

The most important single factor influencing not only the financial but also the political relations of the United States with Europe has been the intergovernment debt arising out of the war. During the past twelve months considerable progress has been made toward the settlement of these obligations. The debt funding commission in its arrangements, and congress in its ratifications, have avoided the extremes of insistence either on full payment or cancelation. Instead, the principle of the ability of the debtor to pay and the policy of partial remission were followed in the various adjustments which were finally concluded. Such alleviation of the debt was effected not by reducing the amount of the principal, but by lowering the rate of interest and deferring the date of payment, with the result that "present worth" of the various obligations was thereby cut. By these means the burdens were reduced, so that they conform in a general way to the sums which the United States extended after the signing of the Armistice. It can therefore be said that this country in most of the settlements has granted remissions in amounts which approximate the loans given and has insisted upon the payment only of the advances extended after the conclusion of hostilities.

Conditions in Different Countries

Germany.—Under the Dawes Plan, Germany was to pay the sum of $1,220,000,000 gold marks in the second year, ending August 31, 1926. For the first nine months, covering the period September 1 to May 31, Germany actually paid about 841,000,000 marks. In his report, the Agent General states that Germany has made all her payments regularly and has acted with the utmost good faith in complying with her obligations under the Dawes Plan.

Austria.—Conditions in Austria have developed satisfactorily. Due primarily to the increase in the revenues, the budget for 1925 showed a substantial surplus. Savings are steadily increasing, and Austria is now in a position to finance a part of her long term needs herself. It is doubtful whether Austria will be a heavy borrower in the future. Austrian bankers feel that over borrowing abroad may endanger the nation's balance of payments, and so favor only loans for productive purposes, particularly those which will curtail imports.

France.—The present French government has adopted most of the measures recommended by the Experts' Committee. As a result, taxation has been raised to cover estimated expenditures, an independent office for liquidating the floating debt has been legalized, and the service of the sinking fund have been made secure against alienation. Also, the Bank of France has been enabled to acquire gold and securities for the protection of the franc. The stabilization of the franc must be accompanied by heavy borrowings abroad, estimated to be at least $200,000,000. The stabilization of the franc and the settlement of the debt to the United States are the outstanding financial problems which France will have to meet in the near future.

Belgium.—Economic conditions in Belgium are developing satisfactorily. Efforts are being made by the government to balance the budget, and for that purpose revenues have been increased. Belgium is still in need of foreign capital, and the stabilization of the franc will probably be accompanied by loans in the principal money markets of the world.

Italy.—Public finance in Italy, according to official figures may be considered as sound. During the Fascismo regime, economic and financial progress has been made, and the budget shows steady improvement. The essential problems at present confronting Italy are the trade balance which continues unfavorable and the currency which moves irregularly. Every effort is being made in Italy to curtail imports and expand exports.

Russia.—Evidences are multiplying of Russia's gradual reversion toward the capitalist system and a recognition of private property. The changed attitude on the part of Soviet Russia towards her foreign creditors is doubtless brought about by the urgent need for foreign capital and trade relationship, and also by the presence of economic and financial crises. Whether Russia will loom as an important borrower in this and other foreign markets will depend upon the treatment which she accords to her former creditors, and her convincing the rest of the world of the permanency of her economic policies.

South America.—Conditions in South America appear to have undergone an encouraging change. The reorganization of the banking system and the improvement of the currencies in a number of the republics should also prove a sustaining factor in their future. Most of these countries have at last realized the importance of meeting government expenditures out of revenues, and a change in their attitude toward rights and privileges of foreigners is also to be noted with satisfaction.

Relief for Farmers' Bank Investors Asked

J. W. Edwards, M.P., announces that at the next session of Parliament he will move a resolution that the same measure of relief should be granted to those who suffered loss through the failure of the Farmers' Bank as has been granted to those who lost through the failure of the Home Bank.

Holders of Defaulted Bonds Asked to Deposit Them

Difficulty is being experienced in getting holders of debentures of municipalities suburban to Winnipeg, which are in default, to report or disclose the amount of their holdings to the committee appointed by the general meeting of debenture holders. In one or two instances the necessary percentage to make the agreement has been secured, but in others the required percentage has not been obtained. This will result in a considerable loss to the debenture holders as accumulating funds which should be paid to them will remain in the banks at 3 per cent. until an agreement is arrived at. Inability to get the consent of holders of 60 per cent. of the debt of each municipality and school district in default, necessary to validate the agreement, is seriously prolonging negotiations.

J. E. Fortin, 293 Bay St., Toronto, is secretary to the debenture holders committee which is endeavoring to get a settlement favorable to the debenture holders so that arrears of interest can be paid to them as quickly as possible.

Bits About Bonds

In offering the Chile bonds, Canadian investment houses supplied their clients with extensive information on Chile and its resources and finances. One house, Bell, Gouinlock & Co., made a comparison of Chile and Canada as follows:

CHILE AND CANADA
(A Comparison)

	Canada	Chile
Area in sq. mi.	3,603,910	289,776
Population	9,200,000	4,050,000
Railway Mileage	40,061	5,667
Estimated Nat'l. Wealth	$22,500,000,000	$3,372,000,000
Per Cap. Debt..	285	72
For. Trade— Exports	1,069,000,000	201,306,523
1925—Imports	797,000,000	132,274,024
For. Invest. ...	4,500,000,000 In Canada	1,000,000,000 In Chile

If Canadians absorb all they are told this week about Chile, they will know more about that country than about Canada. One banking house points out:

"Chile is the world's second largest producer of copper.

"It has large iron ore, gold, silver and coal deposits.

"British capital invested in Chile totals $340,000,000.

"Chile has had a surplus of exports over imports each year from 1913 to 1924, with the exception of 1920-1-2.

"Chile has one of the highest gold reserves of any country in the world—93 per cent. This compares with Canada—58 per cent.; Japan—82 per cent.; Argentine—78 per cent.

"Chile is a member of the League of Nations.

"Chilean loans have always been very favorably regarded in London, England, and it was in this market that practically all their borrowing was done prior to the war. Great Britain, for the time being, is unable to look after the financial requirements of foreign countries so that they are forced to turn to the United States, a country which is not accustomed to foreign loaning and consequently charges higher rates."

$2,000,000 CHILE'S PLACED IN CANADA

New South American Government Bond Issue Proved Popular in This Market

In the scramble for bonds of the new Republic of Chile issue, Canada drew about $2,000,000 of bonds which were quickly taken up by investors and investing institutions in nearly every part of Canada. It is stated that practically every life insurance company in Canada took some of the Chile bonds, although some of the institutional investors who bought bonds had previously refrained from buying foreign issues. Such is the advance that has been made in the past two years in establishing a market for foreign government bonds in this country.

The yield on the Chile bonds, 6.50 per cent., was almost 2 per cent. higher than the yield obtainable from Canadian government bonds and the term of the issue is thirty-four years, greater than that of any outstanding Canadian government bond. These were the determining factors in putting the issue across.

Seven Canadian investment houses and seven American investment houses were in the original Chile syndicate. They were Hallgarten & Co.; Kissel, Kinnicutt & Co.; Halsey, Suart & Co.; Lehman Brothers; J. Henry Schroder Banking Corporation; Cassatt & Co. and William R. Compton Co., among the American houses; and Canadian Bank of Commerce; Dominion Securities Corporation; Royal Securities Corporation; McLeod, Young, Weir & Co.; R. A. Daly & Co.; Hanson Brothers and Greenshields & Co., among the Canadian houses.

The amount of the issue was $42,500,000 and it consisted of 6 per cent. bonds, due in 1960. Principal and interest are payable in American currency and the bonds are a direct obligation of the Republic of Chile. Proceeds will be used for the construction of public works and for refunding purposes.

A sinking fund is provided, payments amounting to 1 per cent. per annum.

At the offering price of 93¼, the bonds yield 6.50 per cent.

THE NATION'S BUSINESS

(Continued from page 1)

not assist in the construction of legislation. While Mr. Guthrie promises an easy passage for all forward-looking legislation introduced by the Liberals in the coming session, he was mildly critical of Mr. Meighen for having assisted the government to frame legislation. "I do not know if this is the duty of the leader of the opposition. I believe that the government should have been allowed to plunge and to flounder," he said. Business men will not agree with this view.

* * *

IT IS perhaps sad but true that seldom have men of the intellectual type given successful, constructive statesmanship. They seem unable to grasp the practical problems of the masses of the citizens. But it has been so drummed into us that oratory and intellectuality are the chief essentials of national leadership that we overlook the real essentials. The result is, to judge from the discussions that have arisen over Hon. Mr. Guthrie's selection as temporary Conservative chieftain, we are still looking for constructive leadership from the parliamentarian debater.

The fact is, we have been taught to regard oratory and skilful debating as statemanship. Such men are full of theories which they are never able to carry out because they are impracticable. When they are faced with practical problems, like unemployment, as are British parliamentarians to-day, they do not understand that they can be easily overcome by work and in their incapacity they provide doles, pensions, which excepting in the case of a few unfortunates are entirely unnecessary. An Englishman, mechanic, who came to the U.S. about 30 years ago and now employs 20,000 all the year round, told The Post after making a survey of British industrial conditions, that, given a free hand with no trade unions or political interference, he could, within two years, put every man or woman in the United Kingdom into productive employment at wages higher than they ever earned before.

* * *

ALL Canada is interested in seeing both parties led by the ablest men possible, men who have special ability and capacity for a leadership that will unite the country and develop its resources, keep our people at home and find markets for their products.

It may be that the Conservatives have taken a step towards the solution of this problem. Hon. Mr. Guthrie becomes house leader, but as house leader he should not lay down but rather carry out the policies of his party. As a good Canadian, he should support the government generally when its policies are sound, but be ever on the alert in the public interest. The real leader of the party, when he is selected, need spend little time in the house and if in time he becoms prime minister, he should leave house affairs to the house leader, a man of Mr. Meighen's or Mr. Guthrie's type.

In effect, this is what they have found to work so successfully in the United States.

The Seal of Security

THE experience of over a century of judging investment values, coupled with the sound advice of clear-visioned men of affairs, stamps the investments offered by this Company with a "Seal of Security" that is very real.

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'64

Safe Sound Seasoned Securities

	Rate	Due	Yield
Asbestos Corporation	6%	1956	7.30
Abitibi Pulp & Paper	6%	1930	5.70
Belgo Can. Paper	6%	1943	5.90
Canada S.S. Lines	6%	1941	6.30
Cape Breton Electric	5%	1932	8.25
Wm. Davies Limited	6%	1942	6.63
Gatineau Power Co.	5%	1956	5.40
International Power	7%	1936	7.00
Manitoba Power Co.	5½%	1951	5.70
Montreal Tramways Co.	5%	1941	5.20
Nova Scotia Tramways	7%	1952	7.00
Ottawa River Power	6½%	1953	6.40
Price Bros. Company	6%	1943	5.70
Quebec Apartments	6½%	1940	6.60
Quebec Power Company	6%	1953	5.70
Rolls-Royce of America	7%	1937	7.00
St. Anne Paper Company	6½%	1941	6.50
St. Lawrence Paper Co.	6%	1946	6.12
Howard Smith Paper Mills	7%	1941	6.85
Stetson Cutler Company	7%	1942	7.05
Viau Biscuit Corporation	6½%	1946	6.60
Wabasso Cotton Company	6%	1947	5.95
Windsor Hotel Company	6%	1943	5.50
Winnipeg Electric Co.	5%	1936	5.40

Bought. Sold. Quoted. Particulars on request.

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Dated 1st October, 1926 Due 1st April, 1960
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Sinking Fund calculated to redeem entire issue at or before maturity.
Principal and interest payable in New York City or London, England.
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To Yield About 6.50%
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(Due January 2, 1936)

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Write for full details of this well secured investment at 6½% yield.

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7% and BONUS of COMMON STOCK

Earnings

Net earnings of this company are estimated at nearly five times the interest charges, leaving a substantial surplus available for dividends on the common stock.

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Price 100 and interest, carrying a bonus of 10 shares of common stock with each $100 par value of bonds.

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Toronto

Luc Rochefort Returns From South America Trip

Luc Rochefort, vice-president of Credit Canada, has just returned from a trip to South America in the interests of the Canada-West India Products Corporation, Ltd., of which he is a director. He was accompanied on the trip by P. R. Cumming, the president of the trading company. The party also visited Jamaica, British West Indies, in connection with the extensive warehouses the company propose to erect there.

Credit Canada recently offered a bond issue of the Canada West India Products Corporation for public subscription.

NEW BRUNSWICK SCHOOL BOARDS USE SERIAL BOND

Province Gives Definite Encouragement to This Type of Issue

Staff Special.

FREDERICTON, N.B.—When and wherever possible, this province insists that its school boards issue serial bonds or debentures instead of term securities. In this fashion, the Province of New Brunswick has overcome the many difficulties which have beset school boards innumerable elsewhere in Canada in the past. Sometimes term securities have been sold only to find that when these issues fell due little or no provision had been made to meet the liabilities.

This has occurred at times due possibly to faulty bookkeeping or to the constant turnover in the membership of school boards, or perhaps simply through neglect. Thus the provincial Board of Education of New Brunswick has found it advisable, before granting the authority to a school board to issue debentures, to make sure that such issues mature serially. In this fashion, the investor is safeguarded and there is removed the danger of possible financial difficulties through any neglect of the requirements of the sinking fund.

But in the past, some school boards have objected to the issuance of serial bonds on the ground that it made their bookkeeping more intricate—but this difficulty is easily overcome. Any school board may easily arrange its maturities in such a way that it has a definite fixed sum to meet annually during the life of the issue. In each year, of course, the treasurer must debit his interest and principal accounts with varying amounts. At the close of the first year, of course, the amount debited to interest account will be the largest during the term of the issue. With succeeding years, the annual expenditure on the issue under capital account will gradually increase.

To arrange bond issues in this fashion in a simple matter; more and more of the school boards and municipalities in New Brunswick are adopting the plan and are arranging their annual maturities in such a fashion that the borrowing body has a single unchanged sum to meet annually throughout the life of each issue.

On the other hand, it is said that bond houses will not quote as high a price on serial bonds as for an issue of term bonds; the latter can be handled the more simply and perhaps can be the more easily sold. But broadly speaking, the increased price which might perhaps be obtained for a term issue is not comparable to the increased benefits which can be obtained under the foregoing plan.

Chinese Disturbance May Hit Herring Industry

VICTORIA.—Chaos in China's political affairs will hit the herring industry of British Columbia seriously during the coming winter, according to leading fishery operators. It is doubtful, in fact, that China, usually the chief market for salted Vancouver Island herring, will buy fish to any appreciable extent. Facing this condition the operators in Barkley Sound have voluntarily agreed to reduce the number of their nets during the present season.

It is these operators who are asking for the right to use herring for reduction purposes under the new federal regulation which permits this practice only in the waters north of Barkley Sound. The regulation has not been extended to include the Sound so far, despite these representations.

Tenders and By-laws

October 25, Riviere du Loup, P.Q.—$130,000, 5 per cent., 30-year bonds. Jos Lebel, sec.

October 27, Port Moody, B.C.—$100,000, 5½ per cent, 10-year debentures J. J. Lye, treas. (See announcement on page 16).

October 29, Weston.—$126,015, 5 per cent., 20-year local improvement and street railway debentures. H. G. Musson, treas.

This Week's Bond Sales

Prince Rupert Debentures

Pemberton & Son, and R. P. Clark & Co., Vancouver, have been awarded an issue of $81,659 City of Prince Rupert 5 per cent., one to ten year debentures on a bid of 96.322.

SMITH'S FALLS ISSUE

An issue of $30,612 five per cent. bonds of the Town of Smith's Falls, due in 10 and 20 instalments, has been sold to R. A. Daly & Co., on a bid of 98.79. Tenders were as follows:

R. A. Daly & Co.	98.79
W. J. Shannon	98.50
H. R. Bain & Co.	98.36
Wood, Gundy & Co.	98.11
McLeod, Young, Weir & Co.	97.67
C. H. Burgess & Co.	97.52

County of Lanark Bonds

Thomas Farmer was the successful tenderer for an issue of $76,700, 5 per cent., 20-instalment bonds of the County of Lanark. Mr. Farmer, who is a local financier, bid 99.93 for the issue, almost on a cost basis of 5 per cent. The bids were:

T. Farmer	99.93
Matthews & Co.	99.53
Fry, Mills, Spence & Co.	99.523
Bell, Gouinlock & Co.	99.35
McLeod, Young, Weir & Co.	99.18
Municipal Bankers' Corp.	99.72
C. H. Burgess & Co	99.53
Wood, Gundy & Co.	99.40
A. E. Ames & Co.	99.27

Little Red School House Now Big Mansion and it All Shows in Tax Bills

Expensive Plumbing, Cork Floors, Nurses, Free Textbooks Multiply But so Does Cost to Overburdened Taxpayer

By J. GEORGE JOHNSTON

One-third of the municipal taxes imposed in Ontario are for schools. In many instances, if not all, the financing of school buildings does not appear as a school tax at all, but as part of the expenditure for general municipal debt. In reality, the cost of schools represents probably somewhat more than a third of the total.

Citizens as a rule may grimace at the thought, or the discovery that schools cost so much. Then will come the reflection that education is expensive, but essential. This article is not intended as a criticism of necessary expenditures, but is merely a study to determine whether some of the cost of education is not indicative of adult waste rather than of the most effective advancement of the younger generation.

The question which many may ask is whether the effectiveness of education has kept pace with the mechanics of schooling. And the question is not localized in Ontario. It is as much alive in other provinces and in the states to the South as in this region with which the writer is familiar.

In one village, a lifelong taxpayer recalls that the community school annually got an appropriation of $1,000 This paid the salary of three teachers and a janitor. To-day, the annual appropriation in that village is $15,000, and the provincial and county grants are more generous. A generation ago, the village contained about 1,000 persons. To-day it boasts 1,800 between census, and is actually about 1,700.

Why So Many More Teachers

It is superficially a mystery as to why ten teachers are required to teach the children in a village of 1,800 while three teachers were required to teach the children in a village of 1,000 population 25 or 30 years ago. The mystery deepens when it is reflected that average number of children per family, according to all vital statistics and editorial writers, has grown markedly less in the last decade or two.

The explanation of this phenomena of increased school attendance in far greater proportion than increased population lies perhaps in more stringent enforcement of the truancy act, less real poverty among parents and the enactment of laws which raise the compulsory attendance age to sixteen or more years.

One of the principal reasons for the increase in the number of teachers employed is the frowning of educational authorities, quite properly, on large classes. About the time that interior plumbing for village schools was first discussed, it was not uncommon for one teacher to enforce discipline among 50 or 60 pupils, in the junior grades, and 45 was considered about the right number for a teacher in the senior public-school grades. Nowadays, when a class gets beyond 40, the provincial inspector will raise hob with the board of trustees. Thirty appears to be the desideratum in this area. But when 30 is achieved, the figure may be brought lower. Perhaps the ultimate aim is to bring the public-school average class per teacher down to the private school advertisement of individual attention.

Better Teaching Might be Expected

This multiplying of teachers should result in better teaching. Indubitably, many, perhaps most, of the older teachers were overworked as they conscientiously endeavored to instil the rudiments of education into dull minds. But someone may rise to enquire if reducing the size of the classes is resulting in fewer dunces. The employer of young help of both sexes, whose experience extends over a period of years, may be inclined to the opinion that, if the 1926 product of our public schools is brighter than his parent in, say, 1901, he is apt not to be so thorough.

Reduction in the size of classes has added to the cost of public schools. Perhaps none will complain, because teachers are entitled to what they earn even at the advanced salaries of to-day.

In many other respects, too, the schools have advanced in the last generation, contributing to the comfort and convenience of teacher and pupil, if not to the soundness of education.

One does not have to be an octogenarian to remember the pump that stood in a gap in the line fence which divided the girls' playground from the boys' playground. That pump probably had cost $20 when the school was built, and the well may have cost $50. In a certain city school the writer knows of, there are modern, so-called sanitary drinking fountains which are of marble from Italy. There is one such fountain in every corridor in this school, which cost the tax payers about $500,000.

There was no plumbing at all in most of the small-town schools a generation ago. The interior plumbing, other than heating, in a small-town school built to-day alone costs as much as the school itself would have cost in the late nineties.

Janitor Now Drives His Car

Back in 1903 in one small town, the janitor of a rather pretentions four-room school was paid $20 a month. He was a feeble old man. The older boys used to wheel his coal and sweep the floors. Under the direction of the principal, the lawns and tulip beds were kept in condition by the older pupils in the noon hours and recesses, although Arbor day was not then an adventure in the woods. Prince, a willing horse owned by the father of one of the boys, would haul an ancient sleigh half a mile at night to take the old janitor home. He soon went to his final resting place. His successor gets $1,800 the year and drives to his duties in an automobile. The school board pays a woman assistant for him, and somehow or other, the tulip beds do not seem so attractive as when the boys and girls weeded them.

The school world has moved since in the hinterland of Wellington County, Ont. The older pupils once were assigned week by week to get to the building early enough each day to build a wood fire, and it has moved since the days, so graphically described by Edna Ferber in the novel, So Big, when the teacher had that chore on her slim shoulders as well as to teach the rustics something about arithmetic, spelling, geography and grammar.

Up Go New, Expensive Additions

Of course, this four-room school, rather pretentious in its day, has grown. In the '90s it cost about $14,000, including warm-air furnaces and four-acre site. About 1906, the ratepayers, after a stiff campaign, voted by a small majority to add two rooms, making the building a somewhat squat letter T. In 1918, four rooms were added, the angles and the whole building was remodeled at a cost of $40,000. This was done with only the tacit consent of the taxpayers. Times had changed. A ratepayers' vote was neither necessary nor to be thought of. This year, a further four rooms were added, to the original front of the building. The cost was $40,000, and there was no vote, of course. At another time, $30,000 was spent on a new heating and ventilating system. Thus, additions to a building originally costing $13,000 have cost $86,000, not counting the heating.

Schools used to be buildings with the simplest of architectural pretensions. Now they are the most elaborate structures imaginable by anyone who has not seen the Cathedral of St. John the Divine in New York or the new parliament buildings at Ottawa. Where pupils formerly walked on tiptoe on bare floors, they now trudge silently on the thickest of cork linoleum. Where a simple coat of varnish sufficed, several coats are now specified. Where blackboards were manufactured by the village plasterer, they are now constructed specially. Where seats and desks were home-made or combination wood and castiron with two or more pupils sharing each, now every pupil has his individual desk and seat. In the latest of city schools, the pupil sits in a swivel chair like a bank president.

Equipment is Extensive To-day

In the old days, when the geography teacher was describing the solar system, the sun was probably her own desk and the globe was a simple contrivance, which had been used for generations. Nowadays, the scientific apparatus used in the teaching of the solar system is much more complicated and expensive, although it is recalled that earlier generations of pupils learned quite thoroughly that the earth revolves on its axis and around the sun.

There are plenty of other evidences of the school world having moved. A modern school is deemed utterly worthless by some authorities if it has no swimming pool. Every school worthy of the name also has an auditorium with a well-equipped stage; the writer knows of a certain one such stage which cost an even $1,000. In former times, for lack of an auditorium, pupils were crammed into the larger room when the principal desired to make a pronunciamento. And when the county teachers' convention was held in the school, probably a semi-permanent partition was re-

(Continued on page 16)

BOND MOVEMENTS OF THE WEEK

Week Ending October 19

Bonds—	Int. Rate	Due	Yield	Range. High	1925 Low	Range, 1926 High	Range, 1926 Low	Ask	Latest Price Bid	Latest Price High	Low
Asbestos	5	1942	5.28	100	84¼	98	92	..	97¼	97	..
Do. Gen. Mtgee.	6	1956	7.34	..	..	85	81¾	84½	84	84	83½
Can. Canners	6	1950	6.26	96½	90	100	94	97	96¾	96¾	..
Can. Cottons	6	1940	5.26	96	91½	97¾	95	97	..	97½	97¼
Can. Cement	6	1929	5.35	103½	100	102¼	100½	102¼	101¼	101½	100½
Cedar Rapids	5	1953	5.02	99⅛	97	101½	98¼	100	99¾	99¾	..
Dom. Coal	5	1940	6.70	90	84	89½	84½	85	..	85	..
Montreal Trams.	5	1941	5.29	98	97	102½	97	97½	96¾	97	..
Do. "A"	5	1955	5.49	98	92¼	95	92⅛	93	92⅞	93	92⅞
Ogilvie "A"	6	1932	5.31	106	104	104	103¼	103½	...	103¼	..
Quebec Rly.	5	1939	5.61	98	89¾	95	91⅞	95	94½	94½	..
Steel of Can.	6	1940	5.26	106	103	107½	106	..	106¾	107	106¾
Wabasso	6	1947	5.95	99	92	100½	99	..	100⅜	100⅜	..
Wayagamack	6	1951	6.00	98¾	84¼	100¼	91¾	100	99⅞	100	99⅝
War Loan	5	1931	4.75	102.65	101.00	102.40	100.35	101.05	100.65	101.00	100.75
Do.	5	1937	4.60	104.95	103.80	104.65	103.00	103.45	103.10	103.45	103.00
Victory Loan	5½	1927	4.95	103.15	101.70	101.75	100.00	101.00	100.65	100.45	100.00
Do.	5½	1933	4.80	107.00	105.10	106.80	103.65	104.45	104.10	104.30	104.00
Do.	5½	1934	5.01	104.80	103.20	104.10	102.70	103.30	103.15	103.25	103.00
Do.	5½	1937	4.70	110.00	108.15	109.30	106.90	107.45	107.15	107.40	106.90
Do., Renewal	5½	1927	4.95	103.15	101.70	101.75	100.00	100.65	100.30	100.00	......
Do.	5½	1932	5.02	104.20	102.60	103.40	102.00	102.60	102.35	102.60	102.15
Do., Refund	5	1928	4.90	100.45	100.15	101.30	99.00	100.30	100.10	100.00	.....
Do.	4½	1940	4.85	97.25	92.00	96.70	95.60	96.25	95.90	96.15	95.75
Do.	5	1943	4.87	102.95	100.15	102.20	101.10	101.50	101.30	101.70	101.10
Do.	4½	1944	4.80	97.65	96.20	97.15	95.70	96.30	96.00	96.60	95.70
Do.	4½	1946	4.81	.....	.....	96.50	9565	96.10	95.85	96.20	96.15

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Lanark County	Oct.	J. Farmer	5%	20-ins.	$76.700	99.93	5%
Prince Rupert	Oct.	Pemberton & Son, and R. P. Clark & Co.	5%	1-10-yr.	81.659	96.322	....
Republic of Chile	Oct.	U. S. and Can. Syndicate	6%	1960	43,130,000	93¼	6.50

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues	Date issued	Offered by	Rate	Due	Amount	Price	Yield
Canadian Salt	Oct.	Royal Securities Corp.	6%	1946	$300,000	103	5.75
Canadian Dept Stores	Oct.	Privately	7%	....	$3,600.000	..	....
Smith's Falls	Oct.	R. A. Daly & Co.	5%	10 & 20 ins.	30,612	98.79	...
Stock Issues—							
Aurora Match Corp.	Oct.	Company	7%	Pref.	$25,000	Par	....

(With a bonus of two shares of common with each share pref.)

FOREIGN SECURITIES
We are active in all foreign issues.
Ask for quotations.
Have your name placed on our mailing lists.
EUROPEAN DEBENTURE CORPORATION, LTD.
120 St. James Street, Montreal

BONDS FOR INVESTMENT
HOUSSER, WOOD & CO.
LIMITED
Investment Bankers
ROYAL BANK BLDG. TORONTO

NEW ISSUES

Gatineau Power Co.
1st Mortgage 5% Bonds
Due 1956
Price: 94 and interest to yield 5.40%

Gatineau Power Co.
6% Gold Debentures
Due 1941
Price: 99.50 and interest to yield 6.05%

Canada Steamship
6% Gold Bonds
Due 1941
Price: 97 and interest to yield 6.30%

Ste. Anne Paper
1st Mortgage 6½% Bonds
Due 1946
Price: 100 and interest to yield 6.50%

Montreal Power
1st Mortgage 5% Bonds
Due 1951
Price: at market to yield about 5%

We recommend these securities as sound and profitable investments

Particulars on request

RENE-T. LECLERC
Incorporated
Montreal:- 180, St. James St.
Quebec:- 71, St. Peter St.
(ESTABLISHED 1901)
E211

Mara & McCarthy
Members Toronto Stock Exchange
Stock Brokers
297 Bay Street - TORONTO
TELEPHONES ELGIN 3294-5-6-7

Northern Electric Says:

"The hydro-electric industry is as yet only in its infancy . . . In no direction do Canadian resources show greater promise of development. . . . The prospects for the application of our water power are boundless."

Certainly the healthy expansion of Avon River Power, supplying the needs of the eastern section of the prosperous Annapolis Valley, Nova Scotia, bear out the truths expressed by this powerful company.

We own and offer the First Mortgage 5½% Sinking Fund Gold Bonds of the Avon River Power Company at

98.50 and accrued interest to yield more than 5.60%.

Descriptive circular on request

JOHNSTON AND WARD
14 King St. East, Toronto
Members {Montreal Stock Exchange / Toronto Stock Exchange}

First Mortgage Real Estate Gold Bond
UNITED BOND COMPANY LIMITED OF WINDSOR, ONTARIO
CERTIFICATE

7% UNITED FIRST MORTGAGE BONDS

What Are They?

United Bonds are virtually fractional parts of a first mortgage upon selected, income-bearing city property.

They are secured by every legal safeguard which surrounds such first mortgage, as well as by the moral character and financial responsibility of the mortgagor.

They are issued in varying denominations and maturities which meet the investment needs of every purchaser.

Write us for details of issues.

UNITED BOND COMPANY LTD.

297 Bay St., Toronto, Ont.
Phone Elgin 5079

4 Imperial Bank Bldg.,
Windsor, Ont.

REDUCTION NOW IN EXPENDITURES SHOULD BE RULE

Hon. Rudolphe Lemieux Tells of Opportunities. Canada Offers

(Continued from page 10)

never better; the spirit of Jack Canuck never higher nor his hopes never stronger. We sense on all sides a feeling of optimism and buoyancy such as had not been noted since pre-war days.

Resources Await Development

Canada's resources represent untold potential values. They call for sound, intelligent investment coupled with aggressive, systematic development. As for the returns their exploitation will yield, they will be unfailing.

Few countries compare with Canada in the security of the guarantee they can offer for profitable investments. Investors of the United States and Great Britain long ago recognized this fact, but never more so than in recent years. American capital invested in Canada now stands at over two and one-half billion dollars.

Canada and her people welcome outside capital and are prepared to co-operate in the fullest measure to ensure industrial development in their midst. I might here refer to an incident or two which strikingly illustrate that spirit of co-operation. Early in January this year, the property-owners of the municipality of West Templeton, Hull County, Quebec, were called upon to cast their votes for or against a by-law granting a low fixed assessment for a ten-year period on the large pulp and paper mills owned by the International Paper Company. Well, to state the case briefly, the by-law carried without one dissenting vote being cast.

In the new town of Arvida in the upper reaches of the Saguenay, where the Aluminum Company of Canada is now engaged in carrying out its large water power and industrial development works, the residents have voluntarily agreed to leave the administration of the town and its various services in the hands of the corporation's afficials.

To ensure the welfare of a country, the people and their administrators must constantly work hand in hand. On the government of a country largely devolves the responsible duty of shaping its economic course of harnessing as it were and transforming into power units, the dynamic forces of the nation.

The immediate policy of the Government of the day should be, in my humble judgment, the three R's: Reduction in expenditure, reduction in debt, and reduction in taxation. As to this country's tariff policy, I believe the common-sense policy to be kept in mind is one that will tend to strike a happy, equitable balance between the producers and the consumers. I think I am voicing the feelings of the great majority of the Canadian people when I state that a violent swing of the fiscal pendulum one way or the other would prove disastrous to our economic structure and jeopardize the cause of national solidarity. In fiscal matters there can be no fast rule. Neither can there be unbridled license with those forces that constitute a country's very life.

Laws and Judiciary Good

I would like to speak a word about the laws that govern this country. Canada has good laws, civil and criminal. In Quebec, we still cling to the old civil laws that go back to times immemorial. We are also fortunate in having a strong judiciary which is appointed for life and is not subject to political influences. As a result, law violations are quickly and effectively checked; crime waves are stemmed at the very outset.

I have striven to convey some idea of the strength of Canadian institutions, of the richness of Canadian character and Canadian traditions; I have tried to emphasize the existence in this country of those fundamental features which help to provide the basis for sound investment confidence. My task has been a pleasant one.

My parting words to you are: Let us cultivate the arts of peace between the two countries. Let us set up ideals of justice and good-will of honesty in public and private affairs. Let us be true to our respective trusteeships, arbitrate our difficulties as we have done in the past and never be recreant to the spirit of the treaties and covenants that regulate our international relations. In the words of one of your most distinguished citizens who passed away just one year ago: "Let there be fewer warships, and more friendships."

Insurance for Buyer and Seller

SICK BENEFITS PAY THEIR WAY IN BIG CONCERNS

Many Different Plans in Canada for Health Insurance

At its thirtieth session held at Geneva, in January last, the governing body of the International Labor Office decided to place the question of sickness insurance on the agenda of the tenth session of the International Labor Conference (1927).

Sickness insurance in one form or another is an integral part of the labor code in an ever-increasing number of industrial countries. Despite national differences, the International Labor Office considers that the law on the subject in the different countries contains on the whole sufficient common elements to warrant the taking of international action.

Sickness Insurance in Canada

In Canada, there is no legislation establishing compulsory sickness insurance, except in respect of certain industrial diseases, but, on the other hand, voluntary sickness insurance has been developed to a very considerable extent.

In general, the benefit schemes in effect in Canada provide for the admission thereto of all classes of permanent employees. Returns from several firms, however, indicated that exceptions are made in the case of the executive staff, office employees and foremen, although usually these may become members also under different conditions. Exceptions are also made by some firms in the case of employees receiving more than a stated salary.

Firms in which sick benefit plans have been organized range from ordinary local businesses, with a comparatively small number of workpeople, to the largest industrial and transportation enterprises, extending throughout the entire country and employing thousands.

In six of the nine provinces of Canada, workmen's compensation laws have been adopted applicable to all classes of industries, in connection with which assessment is made on employing firms by a provincial government board to meet the cost of industrial accident and certain specified classes of sickness. In two of the three remaining provinces, workmen's compensation is administered through the local courts; the other province is one in which no industrial undertakings have been organized. Sick benefit schemes organized by employing firms, therefore, do not generally apply to industrial accidents, but extend to cases of non-occupational accidents and cases of sickness.

In a number of cases the entire cost of sickness insurance is borne by the employing firm, and, in many cases, jointly by the employer and the employees, but more generally it appears to be supported by the employees alone. In the latter case, the rate of employees' contributions is usually on a sliding scale based on wages and ranging from 20c. a month up to $1.

Sickness benefits under plans adopted by representative Canadian firms are apparently graded generally according to salaries and also according to scale of contributions. Payments are not usually made for more than twenty-six weeks, but in individual cases are continued up to one year. There are also individual cases in which benefits are restricted to shorter periods. The average cost per diem of sickness varies greatly. In the case of a large insurance company, the average cost for last year is given at $3.23 a day, with an annual total of $100,000. In the case of a railway company the average cost per diem last year was $3, with an annual total of $121,000.

The affairs of the benefit fund are usually managed by a board of trustees, elected annually, composed of officials of the company and representatives of the employees, who are responsible for financial stability.

The returns indicate generally improvement in employees' health. Workers are relieved of anxiety as to their families in case of sickness and, as a result, they can put their whole minds to their work. It has been found that the periodic medical examination and enforced prompt consultation of doctors often prevented more serious or prolonged illness, particularly incipient tuberculosis. Another great advantage has been the improved industrial relations resulting from the closer contact between employers and employees, and the employers report increase in loyalty, and in production, and a decrease in labor turnover. One of the companies paying the greatest amount of sick benefits reports that the economic benefits to themselves have more than paid for the amount expended.

Interference With Placed Policies Under Discussion

Although the September meeting of the Life Underwriters' Association of Toronto brought out many interesting points in the discussion of "converting policies," the matter is still under discussion.

At a meeting this week the motion which was framed by the grievance committee will be further discussed and voted upon.

Briefly, the resolution deplores the fact that the practice of tampering with placed business (commonly called converting policies) has become very common, although it is generally condemned as against the best interests of life insurance.

The membership of the association is now about 270.

Wealthy Men Need Life Insurance for Cash Value

A wealthy men's estate shrinks even more than the modest estate. Because of inheritance taxes, administrative and legal expenses, unpaid personal income taxes and the necessary liquidation of stocks and bonds in an emergency, life insurance is highly advantageous.

Life insurance doesn't shrink. As part of any man's estate (rich or poor) it pays full value when due—without shrinkage or decline.

Prompt settlement of the life insurance portion of an estate is positively assured. Often it is the only liquid and tangible part of the estate. Best of all it costs not a penny to administer.

One of the big advantages of an estate of life insurance is that if desired, the insured can prevent the dissipation of the funds by the heirs, by exercising the privilege of attaching various trust agreements to his life insurance policies.

Insurance Problems

WESTERN CASUALTY

I would like to have your opinion of the Western Casualty Co., of Colorada, who are operating an office at 706 Birks Bldg., Vancouver, B.C. Are they, in your consideration, a safe company with which to insure and have their past dealings been satisfactory to policy holders?

The Western Casualty Company has been licensed by the Dominion Insurance Department to transact accident and sickness insurance in the four Western provinces. It has made the usual deposit for the protection of its Canadian policy holders and as it is under the close supervision of the Dominion Insurance Department may be regarded as safe to insure with.

We have no information as to their past dealings with policy holders, but we feel that wherever a company is under Dominion license and supervision that policy holders may count upon the proper kind of dealing.

Insurance Personals

Metropolitan Casualty Insurance Co. has announced the election of Paul Arthur Schoellkopf as a director of that company. Mr. Schoellkopf is general manager of the Canadian Niagara Power Co.

He is president of the Buffalo, Niagara and Eastern Power Corporation; president of the Niagara Falls Power Co. and chairman of the board of the Power City Bank at Niagara Falls. He is also director in a long list of companies, among them the Shredded Wheat Co., the Rand Kardex Bureau, Inc., the United States Light and Heat Corporation, and numerous others.

London Life announces the following promotions:

W. H. McEwan, former agent at Toronto 2, has been promoted to the position of superintendent in the same district.

C. D. Hall has recently been appointed superintendent at Toronto 1.

D. Colver, agent at Woodstock, has been promoted to a superintendency in that district.

B. A. Ashton of Halifax has been promoted and is now a superintendent.

Developing a Canadian Breed of Pacific Salmon

VICTORIA.—Recent increases in the sockeye salmon catch of the Fraser River system while the catch in American waters to the south has been very light, are interpreted as indicating that Canada is building up an "all-Canadian salmon run."

The existence of this movement has been known in a general way for many years, but the latest returns from the fishing grounds indicate that it has grown to large proportions. Experts say the salmon are reaching the Fraser River by an all-Canadian route around the north end of Vancouver Island and south through the straits of Georgia. The salmon pack for the Fraser River is now expected to reach 60,000 cases this season, the largest since 1917.

Vancouver's Tourist Trade Shows Big Forward Move

Vancouver's tourist traffic by motor car has shown a gain this year. Up to the end of September, 61,600 cars carrying 228,631 passengers had entered Canada at the American boundary line near Vancouver, since the beginning of the year. In the same period of 1925, the number of cars was 54,778 or 7,182 less and the number of passengers 204,075 or 24,556 less.

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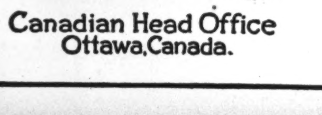

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Ottawa, Canada.
Business Written in Canada in 1925....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925........ $125,150,919
Invested in Canadian Government and Municipal Bonds.. $ 86,743,283

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Current Events in Banking World

POSITION OF THE JUNIOR AS HEAD OFFICE SEES IT

Higher Minimum Does Not Indicate All the Benefits

The action of a Canadian bank in raising the minimum salary of its junior employees will be regarded with general approval by the banking profession. Many staff men throughout Canada feel that an upward revision has long been overdue, especially in a profession which is so firmly established as Canadian banking. Unfortunately the subject does not lend itself to generalities and the publicity which is accorded to it from time to time is often misleading. For instance, it will no doubt be surprising to many that there are juniors in the employ of one bank who, after three years of service, are receiving $1,200 a year. No doubt this is exceptional, but perhaps no more exceptional than the instances which are more commonly cited of apparently poorly paid employees. However, in view of this tendency towards an upward revision, the viewpoint of the employer is worthy of consideration.

In the first place there is not sufficient emphasis placed upon the fact that when a junior enters the bank's employ, he enters a profession and in order to reap the rewards of his profession he must be trained accordingly. The average boy who enters the banking profession is probably about 17 years of age. Suppose that with salary and living allowance he receives at the start about $600 a year. Every six months a detailed report is sent by his manager to the head office, in addition to which the inspector makes a report at least once a year. This report covers every detail of the boy's work, his ability, his character, appearance and even his health, and is made by those who are in daily contact with him and his work. With this report as a basis, the annual or semi-annual increases are made to his salary, so that a man of fair ability who has honestly applied himself to his chosen profession stands a very good chance of regular and substantial increases as the years go on. By the end of seven or eight years a man who has chosen wisely and who has trained himself in the school of banking, is probably ready to enter the more responsible and lucrative positions which the bank has to offer. Besides the assurance of steady employment, the junior during his period of training has probably received from the bank anywhere from $8,000 to $11,000 in cash, depending upon his ability and his living allowance.

Compare this with any other profession that might be chosen. If it is the medical profession, there will be a training in university and hospital of at least 7 years which would involve an outlay of about $5,000 and even then the earning power of the young doctor is very limited during the next three or four years. In the legal profession there are seven years of apprenticeship which start at a salary of from $3 to $5 per year. In commercial houses boys of 17 years of age who start in at the bottom rarely receive more than $10 or $12 a week at the start and often the chances of steady work and regular advancement are not comparable to those that are found in banking.

More Than Wages

Another factor that is of importance is the fact that the actual wage which is received very seldom measures the total amount of remuneration. In most Canadian banks there is a very carefully arranged schedule of living costs which has been computed for each town and community so that the bank, in determining the living allowance, does so in full knowledge of the facts of the case. Differentiation is made between the salaries of juniors who live at home and those who board in rooms supplied by the bank or elsewhere. Every factor is taken into consideration and even if there is criticism of the results, it must be admitted that as a rule the banks do not arrange salaries without a full consideration of the facts.

Perhaps an important reason why there is so much discussion of the salaries paid by the banking profession, lies in the fact that there is as yet no royal road to banking. Banking as it is organized in Canada to-day, can only be learned on the long and difficult ladder of experience. This is undoubtedly the reason why very few university men find their way into the banking profession. After four years of university training the graduate of 21 or 22 seldom sees his way clear to assuming the role of junior bank clerk at a salary of $500 or $600 a year. Perhaps this is unfortunate and perhaps in the future, as higher education becomes more advanced, the situation will be remedied. At present banking remains a profession whose path is slow but sure and whose remuneration, if not generous, is at least assured.

Remuneration does seem to be progressing in the right direction. It is not very long ago since boys were brought to this country and employed by banks at $100 or $200 a year. Those days are definitely behind us and if the current salaries are not in keeping with the dignity and demands of the profession it seems reasonable to hope that the matter will soon be righted.—K. W.

TOO MANY BANKS, TOO FEW BANKERS

What Has Led to Trouble in Agricultural Areas in the United States?

LOS ANGELES.—"Too many banks and too few bankers was the real problem that a bank commissioner had to deal with," Roy L. Bone, State Bank Commissioner of Kansas, told the State Bank Division. Mr. Bone said:

"As a matter of fact, we have but two outstanding problems in the Kansas Banking Department—Too many banks and too few bankers. All of our other problems are merely offsprings, and if we can find a solution for these two problems it will automatically solve a large percentage of the others.

"Too many banks are the direct result of the somewhat reckless and indiscriminate granting of charters in years gone by. Men, with little or no banking experience and with no knowledge of credits, were granted charters and they organized banks more for the purpose of providing a job for themselves and a convenient place to borrow than with any thought of serving a banking need in the community or paying the stockholder a reasonable return on his investment. These are the men who are responsible for the large number of problems which come into the Bank Commissioner's office, which I haven't the time to enumerate, and if we are going to solve these problems, we need to make it more difficult for such men to get into the banking business.

"The reason I say we have too many banks is because many of them have not sufficient volume of business to enable them to operate at a profit. We have one thousand two hundred and fifty banks in Kanasas, one thousand of which are State banks. Of these one thousand State banks, more than three-fourths have under three hundred thousand dollars in deposits and over half under one hundred and fifty thousand dollars in deposits and seventy-five under fifty thousand dollars in deposits. Fifty per cent. of our State banks are not on a dividend paying basis and many are not even making expenses to say nothing of earnings sufficient to absorb losses; and when unusual losses do occur it means an assessment or suspension.

"A survey of bank suspensions during 1924 and 1925, made by the Federal Reserve Bank, showed that the largest number of failures occurred in the western and middle States where an overbanked condition exists and where there was one bank for from 1,500 to 2,900 of population as against one bank to 7,300 of population in the New England States where few failures occurred. In Kansas we have one bank for every 1,440 of our population."

Only Two New Branches Opened in September

The Canadian chartered banks report the opening of only two new branches during the month of September, and four branches closed. Following is a list of the branches opened and closed during the month:

Opened

Nova Scotia—Queenstown, Alta.
Weyburn Security—Rockglen, Sask.

Closed

Commerce — Bank of Hamilton branch, Kitchener.
Imperial—Pine Ridge, Ont.
Royal—Regina, North End; Magnetawan, Ont.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	Oct. 15, 1925	Oct. 14, 1926
Halifax	$ 2,841,301	$ 2,991,636
St. John	2,265,574	2,484,898
Moncton	895,124	830,246
Sherbrooke	794,599	872,844
Quebec	5,363,264	6,037,572
Montreal	104,688,862	108,340,647
Ottawa	5,982,712	6,345,852
Kingston	831,940	859,246
Peterborough	871,373	895,539
Toronto	100,203,886	101,301,503
Hamilton	4,948,527	5,387,334
Brantford	1,058,977	1,122,847
Sarnia	......	716,869
London	2,586,646	2,926,759
Windsor	......	5,043,173
Kitchener	991,390	1,082,401
Chatham	......	674,659

Western Cities

	Oct. 15,1925	Oct. 14, 1926
Fort William	$ 973,546	$ 1,022,263
Winnipeg	84,101,448	66,597,676
Brandon	726,428	591,313
Regina	7,101,356	5,917,339
Moose Jaw	1,436,111	1,375,272
Saskatoon	2,298,683	2,354,738
Prince Albert	383,564	386,231
Lethbridge	619,135	515,080
Calgary	6,508,947	6,154,294
Edmonton	4,528,586	4,804,763
Medicine Hat	315,731	371,739
New Westminster	742,060	811,178
Vancouver	16,389,878	15,128,380
Victoria	1,928,763	2,277,649

BANKS CAN MAKE BETTER CITIZENS

Importance of Proper Education of Foreigners Secured as Depositors

Editor, Financial Post,

Sir.—I was very interested in article "Foreigners offer interesting type of Bank Problem"—issue 24th September last. In many Western communities we have a population closely estimated at 50 per cent. foreign—chiefly Galacians, etc. —and 50 per cent. English speaking. This is perhaps one of the districts where the importance of the foreigner in the banking field can be fairly well estimated. In general it is noticed that while the foreign population is adversely criticized, they are very anxious to conform to our customs and usages if given the right opportunity and encouragement and perhaps nowhere can we better make a lasting impression upon them than in institutions where business ethics are upon a very high standard. For some years we have seen where opportunities have forced these people into channels where the lack of knowledge and experience have proved disastrous and each failure has its effect.

Further, for the sake of a few dollars profit, sharp practices have been resorted to by so called business men, resulting in an impression being gained that such is the standard of our business methods and such suspicions have led to the thought that our friends are not anxious to live up to our code.

Our incoming settlers should as far as possible be directed to responsible institutions by all concerned in their immigration.

Whether we like the truth or not we cannot help but realize that out of the present situation will come our Canadian traditions and we must also admit that we fall very short in our appreciation of this important fact. If it is taken for granted that our present day business standards are the mould for our great future, we have got to uphold a policy which will leave no doubt in the minds of those with whom we are dealing and inviting to live with us. We have to protect our future Canadians against the opportunist who deserts the field as soon as easy money is not available. It is pleasing to note that the thought is deeper than the value of foreigners merely as depositors, for as you intimate this is only a means to an end and we are really absorbing them into the business methods and life of our ultimate Canada.

Perhaps these expressions were in the mind of the writer of the article but we feel that certain definite responsibilities are overlooked and we must be careful not to fall into the way of thinking that our traditions are to be built up on the commercial value of individuals. Quiet action will eventually leave a lasting impression.

Yours truly,
G. H. Crimes.

Dauphin, Man., Oct 6, 1926.

Staff Gossip

B. J. Mellish, the new manager of the Prince Rupert branch of the Canadian bank of Commerce, has arrived there from Vancouver and assumed his duties. —Province, Vancouver.

* * *

A. Drummond, manager of the Standard Bank, Alton, has been transferred to Oshawa. Mr. MacFarland, of Harriston, succeeds Mr. Drummond in Alton.—Banner, Orangeville.

* * *

Hugh Robbins, who has been senior teller in the Standard Bank at Calgary for several years has returned to Ontario, having been transferred to the branch at Oshawa.—News, Pickering.

* * *

Ernest Henderson, was recently appointed superintendent of the Canadian Bank of Commerce branches in the Maritime Provinces and Newfoundland, in succession to Dugald McGilivary, recently superannuated.

Mr. Henderson moves to the Maritimes Provinces to assume his present important position from Hamilton, where he was inspector of the former Hamilton Bank branches under the control of the Canadian Bank of Commerce. —News, Truro.

* * *

Edwin McDonald, manager of the Bank of Nova Scotia at Westville for the past five years has been transferred to St. John's, Newfoundland, where he will officiate as assistant manager.—News, New Glasgow.

* * *

G. K. Tinney, of the Muirkirk branch of the Bank of Montreal, who has been transferred to Fort Erie, was honored recently with a banquet, and presented with a club bag and a gold-headed umbrella.—News, Chatham.

* * *

George M. Geddie, manager of the Prince George branch of the Canadian Bank of Commerce, has received notice of his appointment to the position of manager of the branch at Penticton.—Citizen, Prince George.

* * *

Another change has taken place in the staff of the Standard Bank here. Mr. MacNamee having been transferred, and Wm. L. Kenneth Denney receiving the appointment at Dungannon. Mr. Denney was formerly on the staff in Beyfield.—Star, Goderich.

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The High Spot of the Western Market

AT 6th October, over 90 per cent of Saskatchewan's crop had been cut, with more than 50 per cent of it threshed; good prices prevail and the proportion of highest grade wheat marketed has been phenomenal.

Saskatchewan in 1926 has scored an immigration record that has not been touched in many years in respect of experienced farmers who have made large purchases in land, adding considerably in cash and livestock to the agricultural wealth of the province.

Saskatchewan unquestionably offers the biggest growing cash market in Western Canada, and there is no market in the Dominion that is more thoroughly canvassed than is this great population of prosperous people by the publications named at foot.

These great dailies and Saskatchewan's only farm magazine have a combined A.B.C. certified circulation of over 85,000. Their coverage is complete in every section and corner of the province, and their unique service as a direct selling force can be obtained at an exceptionally low inclusive rate.

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U.S. BUSINESS STILL SATISFACTORY, SAYS COL. AYRES

Conditions Are Similar to Those Existing in Canada

Business men throughout the Dominion are wondering just how long the present period of well-sustained prosperity is going to last and what, if any, indications there are which would lead to the supposition that there may be a recession of activity. The similarity of conditions in the United States and this country has often been remarked, and while there is an approximate period of six months difference between the peak of prosperity or the depths of depression in that country and Canada, generally speaking the index of business conditions follow the same trend.

A review of business across the line has just been prepared by Col. Leonard P. Ayres, vice-president of the Cleveland Trust Company, in which many statements are made that apply equally as well to Canadian business. On the present state of affairs Col. Ayres has to say:

October normally has crowded into its 31 days greater volumes of industrial production, of commercial transactions of transportation, and of financial operations than has any other month in the year. Business usually slows down decidedly in the winter, and somewhat in the summer. It is active in the spring, and it reaches the top of its high tide in October. This year there was little or no summer lull. Business went forward in exceptionally large volume, and if it still has such impetus and momentum as to make new high records this month it will probably prove to be the case that a good winter season, and a spring time of still further business expansion are ahead. The prospects for this sort of a rosy development seem rather remote.

If the events of this autumn indicate that the top of the present business cycle is behind us, and that declining trade, and industry, and transportation are in prospect, we may be rather confident that the recession will be gradual rather than drastic, and protracted rather than brief. The reason for this is that there is no credit stringency in prospect, and because this is so, no sudden decline in business activity is likely.

Perhaps the strongest single factor in the present business situation, which contains many strong factors, is the continued absence of over-production. When former periods of exceptional prosperity were well along in their duration there usually came a time when production expanded faster than consumption, with the result that excessive inventories were piled up in factories, warehouses, and stores, and much capital became unproductively tied up in these inventories.

During the past two years signs of such inventory accumulation have been almost wholly lacking. Goods have been produced in large quantities, but they have been promptly shipped to points of ultimate distribution, and sold. As a result we have heard a great deal about hand-to-mouth buying, and there have been many business commentators who have declared that American business men have so effectively learned the hard lessons taught by the depression of 1921 that we should not again see a return of the old and bad practices of inventory accumulation and commodity speculation.

Trade and industry have learned new techniques of rapid inventory turn-over, and hand-to-mouth buying has been developed. These are healthy and hopeful developments, and it may be that business men in general have learned to combine initiative with caution, and aggressiveness with conservatism. If this has really happened our periods of prosperity can be lengthened, and times of depression minimized until it will be normal for good times in business to be practically continuous.

Unfortunately the evidence is all against accepting any such rosy forecast. What really seems to have happened is that a long period of declining prices, rather than the sudden development of prudent wisdom, has resulted in holding down industrial inventories during the past two years. The real test will come when we have a period of strongly advancing prices. Meanwhile we are fortunate in conditions as they exist, and in the prospects that they will not soon or drastically give place to those very different conditions that used characteristically to breed troubles in periods of prosperity and to bring them to an end.

Manitoba Lumberman To Lieutenant-Governor

Educated for the legal profession, but later turning his talents to the lumber business and other interests, Theodore Arthur Burrows brings a wealth of experience and an intimate knowledge of Manitobian conditions to his new position of Lieutenant-governor of Manitoba.

Mr. Burrows was born in Ottawa on August 15, 1857, and went West to Winnipeg at the age of 18 years. After a few years in a local law office, he decided in 1879 to embark on the lumber business, entering the trade first on Lake Winnipeg. For a number of years he was engaged in a hazardous calling in assisting in securing his rafts of logs through stormy passages with tugs and barges across and down Lake Winnipeg to Selkirk. Many trying journeys he made in dead of winter, walking 100 to 150 miles on each trip.

Later Mr. Burrows extended his business into the western regions of Manitoba and also into Saskatchewan and Alberta, and he has been known for years as the one who has done more than anyone else to develop the timber and wood business in northwestern Manitoba, having extensive limits and mills in the Swan River Country and in the Dauphin district. He operates the largest mill in Manitoba and has 30 yards under his direction.

In addition, Mr. Burrows has always taken a keen interest in provincial and Dominion politics. For 12 years, from 1892 to 1904, he represented the constituency of Dauphin in the Manitoba legislature. In 1904 he won the Dauphin seat for the Liberals in the general elections.

Foreign Capital to Come Only if Our Taxes Lower

(Continued from page 1)

allowed which will interfere with development.

We shall be wise to take the long range view. The greatest revenue can only be expected from such development that will populate this country, that will attract settlers and will engage the interest for life of our best blood and brains.

Our young men should find full employment in our own land. Our men reaching the age of their best producing years should be able to earn to their full capacity and neither by imposts on salaries or dividends have to slow up such plans as they develop for the extension of their businesses nor should they on the same account be denied opportunity in new enterprises.

The American Exodus

The situation in Canada for the past five years or more is that men in their best years are able to do better across the border where their experience and ability are quite as quickly recognized and as fully rewarded and where only a fraction of their Canadian income tax imposts are payable.

The issue raised in this respect is a most serious one because not only are earnings of those of our best producers taken but as is well known in banking circles, the whole fabric of a man's credit is affected.

The banker and the senior investor will put their money in the form of credit behind anyone of producing capacity, providing the one seeking the credit has a consistent record for accumulation of earnings from which smaller initial credits have been retired.

The trained expert ready for all the work of commercial and industrial development is robbed of his savings, robbed of his credit and driven to other shores so long as our income tax is measurably higher than our neighbors.

A Good Policy For Canada

Canada depends upon herself, the nation to the south and Great Britain for her future, for money and for settlers. Canada is not in the same case with either Great Britain or European countries when it comes to a taxation policy. The countries of Europe, including Britain, are highly developed. They cannot provide new sources of wealth. They must pay their debts and tax themselves accordingly. Canada on the other hand is a land of boundless wealth and provided we encourage every enterprise of development, can assume much greater burdens than any European country.

Canada should realize that she is in active competition with the most vigorous national machine, the world has ever produced viz., our neighbors to the south. To disregard the advantage of the American nation in maintaining lower rates of income taxation then we enjoy is to bring us into vassalage economically and to rob us of the best manhood we can produce.

Consider Our Resources

There is no relief for us in the thought that because we were longer in the war and find ourselves under a much greater war debt per capita than our American friends that we are even on that account obligated to tax ourselves, more desperately.

Although Canada is under great debt and may even promise to increase the debt obligation, we must consider our resources. Our resources and assets are such that with even the modest degree of greater development which lower taxation would encourage, our present debt will in a generation be confirmed a matter of comparativley little moment.

The progress in development, however, which would accompany a low taxation program would so revolutionize our rate of development that we not only should use all our own earnings profitably but would attract large blocks of capital from the U. S. A., Great Britain and countries like Switzerland and Holland who have money to loan on favorable terms.

The taxation policy for Canada should be framed from the single consideration of placing our earnings on a lower basis of taxation than any other nation from whose people we can expect money for investment.

Canada's progress in spite of our ill-advised taxation program is a marvellous progress. We are already the sixth nation of the world in foreign trade.

We are also in sixth place in per capita trading. From the standpoint of favorable trade balance we are the third nation of the world and per capita first. Our credit is good but our credit even if we used it more extensively for a generation than it has ever been used, will still be better if we plan for settlement and development rather than paralyze settlement by discouraging enterprise.

Settlers will follow investments and capital will come with necessary encouragement.

Canada is the land not only of material resources but has the water power necessary for all purposes. Our great internal waterways and our tide-water facilities place us in a natural position, second to none.

Seventy rivers and their branches flowing north to Hudson and James Bay will roll back Ontario's map hundreds of miles and for millions of new people.

Public Taxation Policy

Nothing can interfere without progress if we are careful not to place restrictive and discouraging laws on our books. Provinces enacting onerous laws in relation to inheritance taxes and income taxes are serving the enemy of progress.

Municipalities clamoring for greater taxing power for imposition of income taxation after having collected taxes on real property and business will "kill the goose which lays the golden egg."

The Province of Quebec is probably the most enlightened of our provinces in respect to various legislative enactments and regulations.

An interesting statement by one of the chief executives of the great Aluminum enterprise at Arvida in answer to a question recently said, "We came to Quebec for three reasons

(1) Ample power.
(2) Sane legislation and taxation.
(3) Good labor condition.

This great industry is being rooted out of the United States and established in Canada.

It is hoped our other provinces will be led to examine especially in respect to taxation the interesting example of our sister province. I am not suggesting their plan is not capable of improvement from the standpoint of attracting capital but at least they have the edge for the moment.

One hopes that this board will support all efforts to unify our provincial policies of taxation placing our whole country on a plane which would give us no competitor.

It would require probably a better standard than any of our provinces or municipal authorities now set for themselves, but given a standard which upon comparison with one another could be set up in respect to various services involved, we should then only need ordinary care and prudence to put all our provinces and municipalities in a position to easily compete with our neighbors while federal taxation lower than theirs, especially in respect to income taxes, would insure rapid development and prosperity such as no country in the world's history could parallel.

LITTLE RED SCHOOL HOUSE NOW BIG MANSION—TAX BILLS SHOW

(Continued from page 13)

moved to throw two rooms into one for the nonce.

Only in the richest of cities, in former times, were textbooks bought for pupils, and scribblers were a drain on the private nurse if the pupil in the family was a scrawler. Nowadays school boards buy textbooks even in comparatively small communities, and scribbler paper is bought by the taxpayer as a class. Only in opulent city schools, a generation ago, were pianos deemed essential to public school education. Now there is always a piano and probably a music teacher. Another item of expense, although hardly one of criticism, is the school nurse. She is a newcomer. Usually, it may be hoped, she is worth her salary.

Taxpayers may some day rise in wrath and call a halt to the rising cost of building schools and maintaining them, if not to the rising cost of what is strictly teaching expense. This wrath may be all the more violent if taxpayers at last reach the conclusion that the more elaborate education of to-day, which costs many times as much as education a generation ago, is any more thorough or effective than that which was gained in the less comfortable, yet frugally administered village or country school some years back.

Parochial Schools More Modest

In one of the states to the South where Roman Catholic schools are maintained by the Roman Catholic community privately, not as a separate tax as in Ontario, it has been found that the parochial schools of similar purpose and similar value to the public schools are built for much less than the public schools. It never has been explained why this is. The fact probably is that the parochial schools, being private institutions and being built under the direction of bodies whose resources for the purpose are limited, are buildings constructed for use rather than ornament, as a necessity rather than for the sheer joy of spending public money. Three coats of varnish are probably sufficient for a parochial school. The pupil in a parochial school also probably does not sit in a swivel chair like a bank president. The pupil in a parochial school probably does not drink from a marble fountain, because there are sanitary fountains of less expensive material. The pupil in a parochial school probably also does not swim in a tiled pool in school hours which otherwise would be devoted to the reactionary multiplication table.

School boards, it must be admitted in fairness, do not appear to be any more extravagant than municipal councils. But in most provinces and states school boards thrust on to other municipal authorities the responsibility for certain high municipal expenditures, which rightly belong to the school authorities. In most instances, the municipal councils have to raise the money which the school board spends. In most instances, the council has no option than to grant to the board, either for capital expenditure or maintenance, all the money that the school board demands.

Control of Boards Not Direct

It is suggested that the school board might not be so liberal in its directions to architects, or so ready to agree with idealistic utterances of salaried inspectors who declare that the best is none too good for the rising generation, if the school board had to appeal directly to the taxpayers for capital and maintenance expenditures, and if the taxpayers were able to learn without difficulty what proportion of their rising taxes was due to extravagance in education and what proportion is chargeable specifically to other causes.

School boards for the most part are elected directly by the voters. But, in financial matters, school boards are only indirectly concerned with the taxpayers, although in these days of curriculi fixed by state authority, the school boards have little to do with any phase of education other than the building and the maintenance of the physical properties.

FOREIGN EXCHANGES

Italian Lire and French Franc Strong

Conducted by S. J. ZACKS.

Italian lire furnished the greatest sensation during the week. On Wednesday it touched $.0437½, a new high, a net gain of over $.0062 from the low of $.0375 of last week. French franc again crossed the three-cent mark, displaying considerable strength. Norwegian kroner held firm, maintaining the recent phenomenal gains. Japanese yen soared higher, as did Canadian funds, while sterling and Brazilian were weaker.

Sterling cables on Wednesday sold off to $4.84⅞, approaching the gold export point. The decline of sterling has been long expected. Pressure of wheat bills has begun to be felt. By the way, sterling wheat bills in part made for the strength of Canadian funds, which are again looking up. London is now exporting gold, principally to Germany and the continent. Ever since Germany has unpegged the mark, the exchange rate has been against England, principally because of Britain's coal imports from Germany, and Germany's import of capital from abroad.

The undertone in the silver market continues bad. It is understood that even Chinese farmers view the bank note, in lieu of hard silver, with greater favor than in previous years. If the Chinese farmer can be educated to the uselessness of hard silver, it would dispense with large stocks of silver being carried by banks during the busy harvest season. This factor, as well as the recent report of the Indian commission, coupled with the huge speculative short interest, had a cumulative effect downward on the price of silver. The silver situation has seriously affected the Canadian production of silver, and silver producers, especially the higher cost producers, are considering the abandonment of production. The present decline in the whole mining market is attributed to the silver situation. Unless the consumption of silver increases in the arts or as subsidiary coinage, producers will continue to have a serious problem on hand.

Italian lire and the French franc, which have been strongly supported by their respective governments, both appear very strong. London looks for higher prices on both of these. Italy's internal condition is much improved; deflation has made for sounder business. The Belgian franc has not shared the recent strength of the French franc. The Belgian franc, it is rumored, will be stabilized at about $.0275. Rumors claim that a loan of 30,000,000 francs has been secured by Belgium for stabilization purposes.

Although the Japanese yen has been very strong, gold resumption will probably be delayed, owing to adverse trend in foreign trade during the third quarter of the year.

Milreis continue to decline, and it is expected that when the new government comes into power the decline will be even greater.

New York looks for a 12-cent milreis before long. Doubtless a cheaper milrei will aid a business revival in Brazil.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Oct. 14	3-64	7-64	1-8	1-8
Oct. 15	1-32	3-32	1-8	1-8
Oct. 16	5-64	3-32	1-8	9-64
Oct. 18	5-64	3-32	9-64	9-64
Oct. 19	5-64	3-32	5-32	5-32
Oct. 20	3-32	3-32	5-32	11-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Oct. 14	4.85	2.87½	4.06½
Oct. 15	4.84 15/16	2.87¼	4.08¾
Oct. 16	4.8415/16	2.87	4.10
Oct. 18	4.84 13/16	2.89½	4.18¼
Oct. 19	4.84 13/32	2.90¾	4.21¾
Oct. 20	4.84½	3.00¾	4.32¾

FOREIGN EXCHANGE

Par		Oct. 13	Oct. 20
19.30	Italian	4.02½	4.32
32.45	Brazil	13.95	13.63
23.82	German	23.81	23.80
19.30	Belgium	2.79	2.83¾
84.85	Japan	48.38	48.85

Catholic Bishop Calls for Canadian Materials

Recently a new seminary for the education of young men for the priesthood was dedicated at London, Ont., by Bishop M. F. Fallon, and in an address to the Rotarians of London, who were guests of the Bishop at luncheon at the seminary, His Lordship declared that the building, the fulfillment of his hopes and dreams of many years, was, down to the minute details, Canadian.

He told of his successful search for suitable Canadian stone, and of his joy in finding also that in this province there was wood-carving as exquisite as that of older lands. His quest for electric fixtures of Gothic design took him at first across the line, but finally in Ontario he found exactly what he sought. And so with every bit of material down to the smallest detail—it was Canadian through and through, "a monument of the resources and craftsmanship of this noble land."

The bishop remarked that the character of an age and a people could be determined by the character of the buildings erected. One could read pages and pages of history, but that is rather dangerous, because it has been said that history is a conspiracy against truth, as each writer colors it with his own views and ideals. But buildings did not lie. Commerce put its mark on architecture and expressed itself in great elevators, bridges and factories. Religious faith had blossomed centuries ago in those marvelous cathedrals which man to-day could not improve upon, but only imitate. He avowed his zeal for education, but beyond all culture and learning was the cross and the triumph and story of Christ's life and death.

"And when all is told and when all is said and done we've got to cling to the Cross. We must emphasize the triumph of the Cross. All Christians should recognize it. I like to see commercial and industrial success, but I also like to see Christian gentlemen adhere to the church. Don't get away from the Cross —and don't let it get away from you," concluded the bishop.

Personals

H. V. Hansen, newly appointed manager of the Canadian Biscuit Co., was born in New York City 36 years ago and held important executive positions in the United States before coming to Canada 18 months ago to become general manager of the Christie, Brown Co. at Toronto. Mr. Hansen's success with that company attracted the attention of the directors of the Canada Biscuit Co., and an offer was made to him. Mr. Hansen, realizing the big opportunity offered by this, the largest concern of its kind in Canada, with seven plants in Canada extending from Moncton, N. B., to Edmonton, Alberta, accepted. He is regarded as one of the most capable executives in Canadian business.

Imperial Bank

The Imperial Bank announces the following staff changes: F. T. Kyle, formerly manager at Fonthill branch, has now been appointed manager at Fergus succeeding F. A. Black, who has been transferred to head office. G. L. Gordon, formerly accountant, Port Colborne, has been appointed manager, Fonthill.

PARTNER WANTED

A rapidly growing Yonge St. business, making plenty of money on a small scale, requires additional capital for expansion, which is warranted in view of exceptional possibilities. Capital represented by someone who will take an active part in the conduct of the business preferred. Audited Balance Sheet and profit and loss statement will be gladly submitted to seriously interested parties. All interviews strictly confidential.

Box 300, Financial Post, Toronto, Ont.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter A BONUS of TWO per cent. has also been declared for the year ending 30th October, 1926, both payable on and after WEDNESDAY the FIRST day of DECEMBER next, to Shareholders of record of 30th October, 1926

By order of the Board.

FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 19th October, 1926.

Montreal Rouyn Mines Limited

Montreal, October 18th, 1926.

To the Shareholders of Montreal Rouyn Mines, Limited.

Sirs:—Take notice that a Special General Meeting of the Shareholders of Montreal Rouyn Mines, Limited, will be held on the 3rd day of November, 1926, at the hour of 3.30 o'clock in the afternoon, at the Mount Royal Hotel, Montreal, for the following purposes:

(a) To receive the report made on the property of the Company by its Consulting Engineer.

(b) To consider and if deemed advisable to authorize the Directors to accept an offer from a New York Syndicate, to purchase an Eighty (80%) per cent. interest in the property of the Company, on an optional basis of Five Hundred Thousand ($500,000.00) dollars, to be paid ten (10%) per cent. within fifteen (15) days of the acceptance of the offer. (15%) per cent. in ninety (90) days, and payment of twenty-five (25%) per cent. each ninety (90) days, until the said amount of Five Hundred Thousand ($500,000.00) dollars is fully paid.

(c) To consider and if deemed advisable to sanction and confirm the action of the Directors in passing By-Law No. 20 of the Company's By-Laws, reading as follows:

> "The Directors shall make such rules and regulations in reference to the transfer of the stock of the Company, the surrendering and cancelling of certificates, the closing of the transfer books, etc., as to them may appear expedient and necessary in the interests of the Company."

(d) To transact such other and further business as may legally come before the said Meeting.

It is drawn to the attention of Shareholders of the Company that as the Books of the Company will be closed to transfers at noon on October 18th, 1926, only those Shareholders of record on that date will be permitted to vote at the Meeting.

By order of the Board,

F. SKELCHER,
Secretary-Treasurer.

For Sale, 6 Shares of
J. V. Gray Construction Co.
Stock.
Price $450.00 Cash.
Par Value $600.00.
W. A. RUMNEY, 340 Pelissier St.,
WINDSOR.

THE CANADIAN BANK OF COMMERCE

Dividend No. 159

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1926, together with a bonus of one per cent. payable at the Bank and its Branches, on and after Wednesday, 1st December next.

The Transfer Books of the Bank will be closed from the 16th November to 30th November next, both days inclusive.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 15th October, 1926.

Muirhead's Cafeterias

LIMITED

A dividend of twenty-five cents (25c) per share being at the rate of 7½% per annum has been declared on the Preference shares of the Company to shareholders of record, October 15th, payable November 1st for period ending October 31st.

By Order of the Board,

E. G. McMILLAN,
Secretary.

Financial Writer

A student of investments is wanted to prepare a daily letter and do other financial writing for an investment house. Experienced financial editor or even a live reporter without financial experience might find this an exceptional opportunity. Our staff advised of this advertisement. Box 294, Financial Post, 153 University Avenue, Toronto.

Tenders Wanted

For One Hundred Thousand Dollars Issue City of Portmoody, B.C., Ten Year Five and a Half Per Cent. Debentures, issued under authority of Portmoody Act, Nineteen Twenty Five. Bonds dated February Second, Nineteen Twenty-Six, payable Vancouver, Toronto, Montreal, and London, Eng. Tenders to be in the hands of treasurer by October Twenty Seventh, Nineteen Twenty-Six.

J. J. LYE, Treasurer.

CANADA CEMENT COMPANY LIMITED

Preference Shareholders

Dividend No. 67

Notice is hereby given that a dividend of 1¾% for the three months ending September 30th, 1926, being at the rate of 7% per annum on the paid-up Preference Stock of this Company has been declared, and that the same will be paid on the 16th day of November next to Preference Shareholders of record at the close of business October 31st, 1926.

H. L. DOBLE,
Secretary.

Montreal, October 15th, 1926.

The Standard Bank of Canada

Quarterly Dividend Notice No. 144

A Dividend of Three Per Cent. (3) for the three months ending 31st October, 1926, being at the rate of Twelve (12) Per Cent. per annum, has been declared payable on the 1st of November, 1926, to Shareholders of record as at the 16th of October, 1926.

By order of the Board.

N. L. McLEOD,
General Manager.

Toronto, September 22nd, 1926.

The Bank of Toronto

Dividend No. 181

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the FIRST day of December next to Shareholders of record at the close of business on the 15th day of November, 1926. The Transfer Books will not be closed.

By order of the Board.

JOHN R. LAMB,
General Manager.

The Bank of Toronto, Toronto.
October 13th, 1926.

Brazilian Traction, Light and Power Company, Limited

(Incorporated under the Laws of Canada)

Notice is hereby given that the Board of Directors of this Company has declared a quarterly dividend of 1¼ per cent. on the issued Ordinary Capital Stock of the Company, payable on 1st December, 1926, to all shareholders of record on the registers, at the close of business on the 30th October, 1926.

Dated at Toronto, Canada, 14th October, 1926.

J. M. SMITH,
Secretary.

NOTE.—The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada.

The London Agents of the Company are the Canadian and General Finance Company, Limited, 3 London Wall Buildings, London, E.C. 2.

Supertest Petroleum Corporation, Limited

NOTICE OF DIVIDEND

The regular dividend of three and one-half per cent. (3½%) on the Class "A" preferred stock of this Corporation, being at the rate of 7% per annum, has been declared for the half year ending October 31st, 1926, payable on November 1st to shareholders of record at the close of business, October 20, 1926.

London, Ont. J. D. GOOD,
October, 1926. Secretary-Treasurer.

Supertest Petroleum Corporation, Limited

NOTICE OF DIVIDEND

The regular dividend of three per cent. (3%) on the Class "B" preferred stock of this Corporation, being at the rate of 6% per annum, has been declared for the half year ending October 31st, 1926, payable November 1st, 1926, to shareholders of record at the close of business, October 20, 1926.

London, Ont. J. D. GOOD,
October, 1926. Secretary-Treasurer.

Supertest Petroleum Corporation, Limited

NOTICE OF DIVIDEND

The Board of Directors have declared a dividend of fifty cents (50c) a share on the common stock of this Corporation for the year ending October 31st, 1926, payable November 1st, 1926, to shareholders of record at the close of business, October 20, 1926.

London, Ont. J. D. GOOD,
October, 1926. Secretary-Treasurer.

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND NO. 32.

Notice is hereby given that a dividend of five per cent. (5%) on the issued Capital Stock of the Company will be paid on the 1st day of December, 1926, to shareholders of record at the close of business November 1st, 1926.

By order of the Board,

BALMER NEILLY,
Treasurer.

Dated at Toronto, October 14th, 1926.

Canadian Mining News

THE FINANCIAL POST

Vol. XX. PUBLICATION OFFICE: TORONTO, OCTOBER 22, 1926 No. 43

Central Manitoba Scene of Big Pioneer Mining Effort; One Big Mine Proven

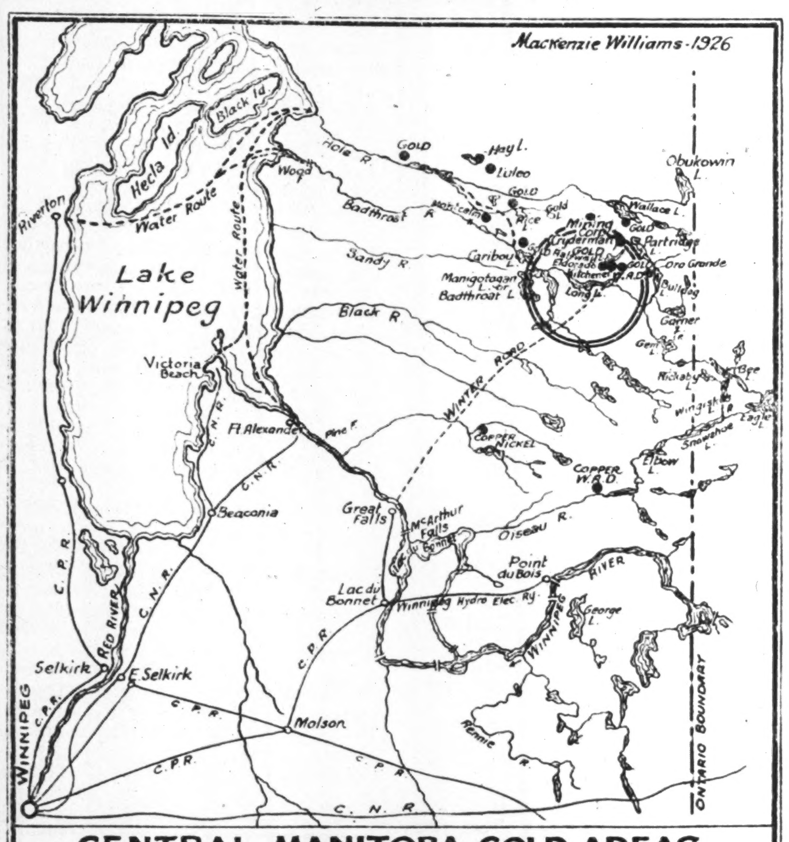
Development of National Importance and May Ultimately Lead to Better Understanding Between East and West—Other Properties Coming Along.

Central Manitoba will be Canada's next gold-producing camp.

It is possible that it will come into production before the gold-copper area of N. W. Quebec.

Not a great deal is known of the camp and its possibilities. It has never been boomed. The opportunity has presented itself for The Financial Post to present to its readers a comprehensive and disinterested review of the whole area.

Mackenzie Williams, writer of the review which follows, is one of Canada's foremost financial writers. As a hobby, he keeps up his interest in geological subjects, each year spending a holiday period in the more northerly parts of Canada. He has just returned from several weeks in the Central Manitoba district and has consented to give his impressions in the accompanying article. He brings to the subject the advantage of engineering training, having taken a degree of B.Sc. at Toronto University, and fifteen years of financial experience with A. E. Ames & Co., Limited.



CENTRAL MANITOBA GOLD AREAS

SCALE 0 5 10 15 20 25M

Nº 1

By MACKENZIE WILLIAMS.

The promising gold district of Central Manitoba lies between the southern part of Lake Winnipeg and the Manitoba-Ontario boundary and includes the smaller areas of Hay Lake, Wallace Lake, Rice Lake, Gold Lake, Long Lake, Bulldog Lake, Slate Lake, Rickaby Lake, Gem or Island Lake, etc.

Long Lake, which can perhaps be considered as lying at the heart of the present operating district, is directly west of Red Lake, a distance of about 60 miles. The Central Manitoba gold district, as at present defined, is an area of approximately 250 or 300 square miles. It is surprising to many who have not studied the maps that as the crow flies, Long Lake, or the heart of this district, is only 100 miles directly northeast of the City of Winnipeg. In view of the close proximity to Winnipeg, it is almost incredible how comparatively very little is actually known of the district in Winnipeg and how few Winnipegers have ever visited the district. From other standpoints, however, it is perhaps not so surprising. The routes into the district, as compared with travel on the plains, cannot be called direct or easy. Then, too, the attention of the great majority of those resident in the province, has, in the past and still is, centered on agriculture. As in the East, the focusing of the attention on this one industry will gradually give way to diversified interests. Indeed, a recent survey of the production of the province indicates that already the manufacturing industries have assumed first rank importance by surpassing agricultural production, by a somewhat narrow margin it is true.

Mineral Area Extensive

When one carefully studies the map of the province and considers the relatively limited area suited to agriculture and contrasts this limited area with the extent which has little or no agricultural possibilities, one cannot fail to be impressed. The huge more northerly area can only be of real economic importance through its forest products, furs, water powers and as a possible area of important mineral production. To more clearly visualize the relative extent of the areas suited for agriculture and those unsuited for agriculture, one should draw a line demarking the areas. If a line be drawn from the southeast corner of the province to the point where the Saskatchewan River enters the province, the area lying to the south of the line includes, in the main, the important agricultural areas, while the area to the north is the area with mining or other possibilities. Arrived at in this way, the agricultural area approximates somewhat less than two-fifths of the total area of the province, while the area which has little or no agricultural possibilities consists of somewhat over three-fifths of the total. This is a good generous allowance for agricultural lands. Indeed, the official figures of arable land in the province of Manitoba are given as 25,000,000 acres, which is just 15.6 per cent. of the total area of the province. It would seem, therefore, that the development of the remaining vast more northerly area with its widely differing characteristics should be of vital economic importance to the people of Manitoba.

Vast Archean Expanses

Broadly, the geological or geographical situation in Manitoba is singularly like the situation in Quebec and Ontario. If one looks at a geological map covering these districts, one cannot fail to be struck with the relatively small proportions of total areas which are suited to agriculture. The official figures indicate that the percentages of the total areas which are arable in the three provinces are, in round amounts, approximately as follows:

Quebec, 8½ per cent.
Ontario, 19½ per cent.
Manitoba, 15½ per cent.

Some idea of the immensity of the areas from which little or no agricultural development can be expected may be gained from a glance at map No. 2, in which the vast expanse of the Archean areas are indicated in Quebec and Ontario.

Great Barrier Now an Asset

It has been stated that Canada's geography, or better her geology, is at the bottom of Canada's present problems. The two million square miles of Archean or Precambrian area, which forms the wide lucky horseshoe about Hudson's Bay, has in the past been looked upon as a great barrier, beyond which progress seemed retarded if not indeed almost impossible. Ontario has, in a measure, overcome some of the obstacles, surmounted the barrier and found mineral wealth which has served to give her people widely diversified economic interests. Similarly, Quebec is now overcoming this seeming obstacle. Perhaps, Manitoba will be the next to prove up the riches of the Archean. There are evidences that she may shortly enter the ranks as a more regular producer of precious metals. Saskatchewan may eventually follow, as approximately one-half of her area has the same general character. The Archean area which once constituted a seeming barrier difficult to traverse separating eastern from western provinces, and giving rise to the sharp sectional feeling of the present day, will, when more developed, provide a certain similarity of interests which may promote a better understanding and will eventually serve to firmly weld our peoples and our provinces into a more homogeneous Canada.

Importance is National

I have dwelt on these general aspects because in this present age we are all too prone to measure the relative importance of new developments exclusively by the yard-stick of dollars of production and to think of them as affecting alone those locally and directly concerned. We are inclined to overlook altogether the vastly greater collateral significance of these new developments and added interests in failing to realize their broader and vital national effects.

Geologically the district of Central Manitoba is in many respects similar to other gold districts in the Archean and particularly in Northern Ontario. The mineralized areas have the same or similar associations of the greenstones or sediments, schists, porphyrys, diabase, granodiorites and granite, the source of enrichment being evidently the granite batholiths. The gold occurs either in fairly clear cut veins, chiefly in rock invaded by granite, such as greenstones or sediments, or in shear zones in greenstones or occasionally in the granite.

Gold Occurrences

The gold in the great majority of cases occurs native either separate in the quartz or fine grained associated with pyrite or other sulphides. North of the Hole or Wanipigow Lake there are some occurrences of gold as tellurides, but these are only a very small percentage of the total values. The associated minerals of the Long Lake area are chiefly chalcopyrite and pyrites, though there are some properties where a small amount of associated galena occurs, such as on the Eldorado.

It has been frequently noted that the various mineral occurrences of economic importance in Northern Ontario and Quebec are located along the Archean height of land zone. This has been well brought out in the admirable little volume entitled "Mineral Resources along the Canadian National Railways," prepared under the direction of Cyril T. Young, superintendent of development. In map No. 2, I have adapted the map there presented by restricting the indication of mineral occurrences to the gold, silver, nickel and copper areas and have brought out in addition the general position and relation of the Archean area. The favorable position occupied by the Central Manitoba district and its relation to the zone is apparent and due regard should be given of this fact when considering the possibilities and probabilities of Central Manitoba.

Gold Deposits Long Known

The presence of gold in Central Manitoba has long been known. One venerable old gentleman, M. Quesnel, who settled at the mouth of the Badthroat River forty or forty-five years ago, states that to his knowledge the existence of free gold in the district has been known thirty or thirty-five years and that he had been one of the earliest to become interested in the Rice Lake area. From 1911 or 1912 on, considerable staking has been done from time to time. Unfortunately, for the district, it was just beginning to be known when the war broke out so that it became practically impossible to interest outsiders in the area. Attempts made to develop properties in a small way by local interests were more or less futile. The pioneers here apparently had to go through the same process of hard knocks and education as to the requirements to make a mine as in Ontario, where it took years to demonstrate that it would take from half a million dollars upwards to make a producer. There was a great deal of wasted effort. Considerable money was thrown away in connection with the efforts of local syndicates to make

(Continued on page 18)

MUCH GUESSING AS TO CAUSE OF BREAK IN SILVER

Likely Explanation is That Shorts Broke Both Metal and Stock Prices

The break in the silver market is causing holders of silver stocks a great deal of worry. Some have liquidated shares at a loss; others are holding on, wondering where it is going to end. There are all kinds of explanations forthcoming for the break in silver. Some blame it on India, some on China and some on Europe. What would seem to be the more logical explanation is that certain well posted individuals or groups in London and New York, but mostly in London, realizing some time ago that the big silver buyers, China and India, would be out of the market for some time, went short on silver around 70 cents and they have been consistently short of silver ever since.

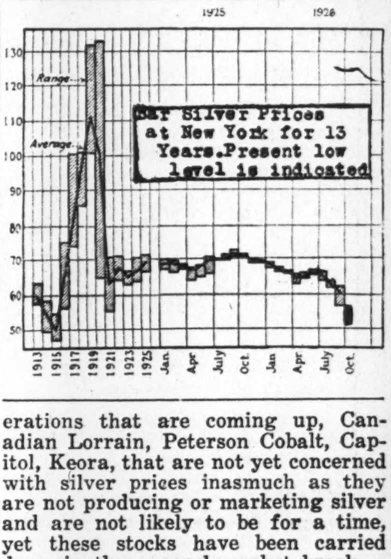
As a consequence the price of silver broke to close to 50 cents. It may be that the shorts will start to cover now. There have been little upward flurries in the market which may be a possible indication of this.

So With Silver Stocks

As with the silver market, so with the market for silver stocks.

The brokers took advantage of the break in silver prices to sell down the market for silver shares with the result that there are numerous bargains offering to-day. Silver may go lower. Some of the silver mines may have to close. All will have to curtail, at least, if the situation continues. But it is generally agreed that in the face of this possibility many of the silver issues are selling at bargain counter prices.

Silver stocks are now as popular with the general public as the golds. They are not as stable, yet huge profits have been picked up by many in silver speculations. There is also the possibility that if the silver market does not improve some of the silver dividends will be passed. This would undoubtedly be the case as at the present silver level, there is little profit per ounce for any of the mines, while some of them would hardly be able to continue. On the other hand, there are some silver operations that are coming up, Canadian Lorrain, Peterson Cobalt, Capitol, Keora, that are not yet concerned with silver prices inasmuch as they are not producing or marketing silver and are not likely to be for a time, yet these stocks have been carried down in the general market break.



Public Offering of Howey Red Lake Shares Talked of on Street

A public offering of Howie Gold Mines shares is possible.

The subject is being freely talked of on the street, and may come about.

Jack Hammill, who is in control, is silent on the subject. He is known to have two or three plans but is making a study of them all before he makes any move.

It is generally believed that he has been flooded with requests for blocks of stock and that these total a goodly sum. About $400,000 would be required to put the property in a position for a mill.

A public offering of Howie shares would undoubtedly meet with an excellent reception. Diamond drilling results, secured by Dome, indicate a mine and it is some considerable time since the public has had a chance to participate in a large mine offering. The record of Hollinger, McIntyre, Lake Shore, Wright-Hargreaves and Smelters, during the last year or so has whetted the appetite of the public for high class mining offerings.

Why Such Keen Rivalry for Old Cobalt Companies

Beaver Contest is Fourth of its Kind That Has Been Staged — Many Possible Answers.

The keen battle which has just taken place for control of Beaver Consolidated Mines, is the fourth keen contest for control of old Cobalt companies whose properties, at the time of the contest, were practically worked out.

Temiskaming was the first, then McKinley-Darragh, La Rose and lastly Beaver.

Asking the question as to why this desire to get hold of companies on their last legs, opens the door for all kinds of conjectures in the hunt for an answer and brings to light some interesting facts.

The Temiskaming deal was interesting in itself and more so at the moment, inasmuch as the president who lost control was Frank Culver, who recently lost out as president of Beaver.

Temiskaming was down to a very small tonnage of ore when Mr. Culver made a drive and secured control. Subsequent developments opened out considerable new ore, about $1,000,000 worth, and some $640,000 were paid in dividends. With around $1,000,000 in cash and bonds in the treasury, Mr. Culver proposed to divert a portion of this treasury into the exploration of Kirkland Lake Gold. He was opposed and defeated in the annual election of officers.

Buys Coal Mine Interest

The new interests on taking hold paid a 3 per cent. dividend, involving some $65,000, and since then a large sum has been invested in Blue Diamond Coal mines in joint account with McIntyre Porcupine Mines. The cost of the interest in the coal mine was recently given as $269,992 and the advance since $300,000. A recent statement shows that current assets of the company to-day are $69,465 and current liabilities $4,720.

Temiskaming's property is regarded as worked out. There is a large tonnage of slimes which it was pro-

(Continued on page 20)

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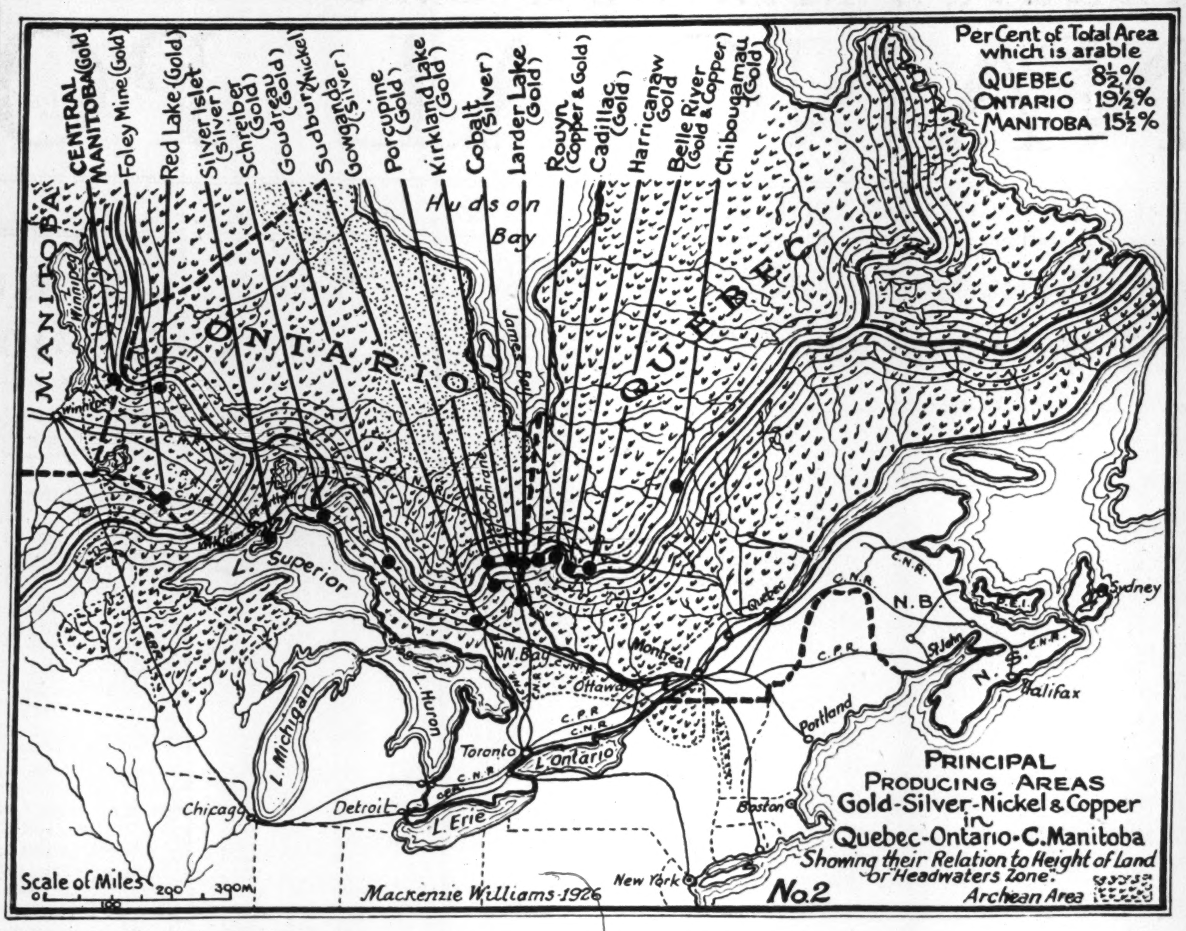
CENTRAL MANITOBA, A PIONEER MINING EFFORT DOING WELL

(Continued from page 17)



mines with a few thousand dollars. Often times, the syndicate member advancing the largest amount would nominate the mine manager, who might possibly be a bookkeeper or some personal friend, all good fellows no doubt but quite inexperienced as far as mining was concerned. In some cases, small old stamp mills, the relics of the Rainy River boom of the nineties, were bought and tried out, using the antiquated methods and consequent poor recoveries of those times. The mills were operated in some cases by those with little mining and no milling experience and poor results were practically inevitable. No cyaniding was used. Naturally, the frequent repetition of such experiences dampened the ardor of many a Winnipeg or Manitoba business man and finally cast doubts on the presence of gold in economic amounts.

Gold Production Small

To date, the actual production of gold in Manitoba has, therefore, been disappointingly small and not commensurate with the number of efforts and the aggregate expenditure during the last fifteen or sixteen years. In Central Manitoba, mills have been in operation at the Luleo property and Gold Pan property. Sinking to a depth of 200 feet has been done on several properties in the province and shafts have been sunk to 100 feet on about sixteen properties. By far the most promising efforts in Central Manitoba at the present time are being made at the Kitchener, the Cryderman and the Eldorado properties.

The Kitchener property is in the Bulldog Lake-Long Lake district, the approximate position being shown on map No. 1. The Kitchener group of claims belongs to the Central Manitoba Mines, which is controlled by the W. A. D. (Wentworth, Anderson & Davis) Syndicate, with headquarters in Winnipeg, the capital for which has in the past been supplied in the main by Boston interests. Latterly, this syndicate has joined forces with John Taylor & Sons, Limited, of London, England, through their subsidiary, the Anglo-Canadian Explorers, Ltd., who advanced $1,000,000 for a 49 per cent. interest and operating control. The direction of the development and mining operations is in the hands of their resident engineer, Mr. Stevel. Work has been most energetically pushed. The main shaft is down 375 feet, a large amount of drifting has been done on the first or 125 foot level and on the third or 375 foot level, while a winze is down a further 125 feet from the third level, making a total depth of well towards 500 feet vertically.

Vein Has Great Length

The vein on the surface has a striking directness and continuity and can be followed a distance of about two and a half miles. The quartz has a characteristically dark appearance, at times almost resembling coal, but with a vitreous appearance. The gold is free and is seldom visible. The vein is somewhat lenticular, but average width and the values have been fairly consistent. As a result of this season's operations it has been decided to proceed immediately with the building of a 250 ton mill. The necessary plant will be hauled in during the coming winter, so that the mill should be ready for operation about a year hence, in the fall of 1927 or the spring of 1928. In the meantime, development work is being energetically pushed. Over 60 men were employed in early September, and the number will be increased as operations expand.

At the annual general meeting of the Anglo-Canadian Explorers, Ltd., held in London, England, on September 24, the Hon. Lionel Holland, chairman of the company, outlined future plans as follows:

> It was proposed to increase the capital to £325,000 by creating 25,000 £1 shares. The purpose was to complete and consolidate the most important of their mining interests in Canada—holdings in valuable properties which had been amalgamated in a company registered in Manitoba, the Central Manitoba Mines, Ltd. The year had been marked by developments of great consequence and of favorable augury. It had been the purpose, if developments warranted it, gradually to obtain a still more substantial interest in the Central Manitoba mining area of 560 acres, covering about 7,000 feet along the strike of the Wad lode. Thomas Pryor, the company's mining engineer, in a recent report on the property, wrote: "The great strength of the lode, coupled with the ore shoots already disclosed by trenching across the exposures on surface, makes this mine a very promising proposition, warranting vigorous exploration to bring it to a producing stage as soon as possible."
>
> ### Programme of Development
>
> He had recommended a programme of development work, and this work had been vigorously pushed on. Beneath where surface trenches had already exposed a wide, strong lode of good milling ore for over 980 feet a shaft had been sunk to nearly 400 feet vertical, with stations at the 125-foot and 375-foot levels, from which crosscutting and drifting work was proceeding. But already down to the 125-foot level it was safe to reckon that well over 100,000 tons of ore of 10 dwt. grade had been proved, which was being rapidly increased as the level, which was still in ore, was continued. Some 1,600 feet west of this shaft, which is known as the Eclipse shaft, another shaft, known as the Growler, had been sunk some 120 feet on the incline. Here the grade of the ore was excellent, and, though the width was narrower, it made an average payable ore over mining width, and from this section the company could count upon a further tonnage of commercial ore to provision a mill.
>
> ### Capital Readjustments
>
> The capital of the Central Manitoba Mines, Ltd., had been increased from 2,000,000 $1 shares to 4,500,000, about 1,200,000 having been reserved to be issued as required for working capital, development work, and the erection of a mill, providing over £200,000 working capital, in addition to the large sums already expended upon development work, plant and buildings—an amount estimated to be wholly sufficient. He understood that it was the intention to issue shortly 1,000,000 of these shares at par to meet the cost of erecting a mill and, generally, of bringing the undertaking to the producing stage. Over 1,500,000 shares were held by the Anglo-Canadian Explorers, Ltd., fully paid, out of an issued capital of $3,310,000.

Cryderman Operation

Second only in importance as regards the magnitude of their operations and of no less interest to the operations being carried on at Kitchener, is the energetic campaign being conducted on the Cryderman group of claims, owned by the Mining Corporation of Canada. The Cryderman group is situated to the south-west of Wallace Lake, approximately as indicated on map No. 1. Here development work has been energetically pushed, and a surprising amount of work has been accomplished since April. During the winter of 1925, all the heavy plant requirements were brought in over the winter road and the property equipped with boilers, hoisting plant, compressors, blacksmith shop, saw mill, etc. A shaft has been sunk 275 feet and hundreds of feet of drifting done. The vein has a similar directness and continuity as in the case of the Kitchener, but appears to be somewhat more lenticular in character both on the surface and vertically. The quartz, unlike the Kitchener, is quite white and has frequent showings of free gold. Some of the most spectacular showings in the district have been produced by the Cryderman. The vein system has been traced several thousand feet and has been stripped for about two thousand feet. Prior to sinking the shaft, test pits were sunk at frequent intervals along the stripped area.

A Conservative Policy

The determination of the average values and widths of a vein system of this character, necessitates more extensive and systematic blocking out of ore and diamond drilling. This work is now being vigorously pushed forward. Thirty-five or forty men have been employed during the summer.

Owing to the nature of the vein system and the occurrence of free gold at times in considerable quantity, the Mining Corporation naturally and wisely prefer to follow the most conservative practice and determine more about the deposition before making any official announcements as to the average values and vein widths.

The location of the Cryderman property renders their transportation problems more difficult at the present stage of development and makes it essential to rely on the winter roads for all but the urgent, immediate requirements.

Eldorado Has Long Break

A third property on which active work is now being pushed is the Eldorado, a group of claims lying to the north of Long Lake and farther west than the Kitchener group. The approximate position is indicated on map No. 1. This group comprises some 700 acres en bloc. The property has been favorably reported on several times in 1920 by Prof. DeLong of Manitoba University; in 1922 by Dr. J. F. Wright and in 1923 by C. H. Hitchcock, mining engineer, formerly with International Nickel Co. The main break on which work is being done has been traced about 6,000 feet. The vein is lenticular in type and carries rather high values in gold, free gold being visible almost everywhere along the vein for about 3,000 feet where the most work has been done. Up to the present, work has consisted of sinking two shafts, one 25 or 30 feet and another about 55 or 60 feet, and in stripping the vein where possible for 3,000 feet. Test holes have been put down at various intervals. During the season, eight or ten men have been working on the property. This work is all of a preliminary nature in order to enable the management to decide as to the type of plant required and as to the best location for the plant. The Eldorado is controlled by the Labine Brothers, Chas. L. Labine, of Haileybury, being the president and Gilbert Labine, general manager. From the results so far obtained this looks like a promising property.

Play Waiting Game

There are numerous other properties in the district, many of which have lain dormant for years, the holders, in the main, playing a waiting game and doing only the work necessary to hold the claims. Many of the older properties which had early unfavorable experiences will stand further careful examination. During the present season there has been a more active interest in the whole district than for several years previously, due, undoubtedly, to the active and decidedly promising development work being done on the three properties briefly described above. New finds which appear to be of some importance have been made in the vicinity of Rickaby Lake, Gem Lake and Slate Lake.

There has perhaps in the past been too little realization of the type and amount of work which should be done on claims to place them in a position for examination by possible buyers or interested parties. The continuity of veins or vein systems or breaks should be established and work concentrated on surface work, such as stripping of veins where this is possible. The existence of parallel or other systems should be determined. There has perhaps been too great a desire in the past on the part of holders to begin the use of steel and power at too early a stage, whereas what is really wanted by examining engineers before other things is information as to the superficial character of the vein, its average width, its length, the character of the country rock. If these prove satisfactory, test holes under proper direction can quickly be made at the best points.

Proper Work Done

Often times, an examining engineer is asked to look over property only to find that there is little or no information as to the length and character of the vein, but that perhaps in a spot or two there may be holes down five or ten feet or more. While this is good as far as it goes, it should usually follow and not precede the other work. Perhaps some of the discouragement experienced by long-time holders would be measurably lessened if greater efforts were made to place properties in shape for easy examination. Another thing which has perhaps retarded the earlier development in the district is the tendency seemingly universal of holding claims at exorbitant prices. The making of a mine, like the making of a business, demands a nice combination of factors and the property, important as it may seem, is but one of the factors. There must be added competent business management by those who are familiar with mining. There should be added abundant financial resources and these should be guided by the best possible technical skill. Claim holders will probably make more rapid progress and serve their own interests best by asking reasonable prices and forming associations or working arrangements with those corporations which should be known by reputation as being strong, well-managed, ably financed and capable mining operators.

Transportation

Perhaps, one of the most serious problems which the majority of new mining areas have to face is the problem of transportation. As regards the difficulties of transportation, the district of Central Manitoba is no exception, and, as mentioned above, this is perhaps one of the main reasons why the district has not been actually visited by more people from Winnipeg and why development has been slow in spite of the promising general character of the area.

There is the choice of several routes into Central Manitoba, some of which, while they may possibly be excellent routes for the canoe man or prospector, are wholly unsuited to adequately handle the volumes of freight needed in the development of properties and prospects and the operating of mines. The main routes into Long Lake, which can be followed on sketch Map No. 1, are as follows:

1. Via Lac du Bonnett, Bird River, Bird Lake, Elbow Lake, Snowshoe Lake, Wingiskus Lake, Gem Lake, Bee Lake and the Badthroat River to Long Lake. This route takes one east over the Interprovincial boundary 10 or 15 miles into Ontario. It is particularly well adapted to those traveling light or to the prospector. There are numerous portages, two of which are over a mile in length. This route, however, seems to be wholly impracticable as a freight route, the portages being too numerous, some of the streams small and shallow and some of the smaller lakes being almost completely overgrown with rice fields. The route is still favored by some of the old timers such as the Crydermans, who, however, usually travel light, have but one trip over portages and use an outboard motor to make time.

Route Via Lake Winnipeg

2. Via the Badthroat River. To reach the Badthroat River, one has two options, first, to take the C.P.R. from Winnipeg to Riverton and cross Lake Winnipeg to the Badthroat settlement at the mouth of the river. This route is favored by many as it is possible to cross Lake Winnipeg here in almost any weather, by passing either to the south of Hecla and Black Islands or to the north, depending upon prevailing winds at the time. Lake Winnipeg, because of its shallowness, is at times almost impossible to navigate with smaller craft. When boats are running from Victoria beach, the second alternative is to take the C. N.R. from Winnipeg to Victoria Beach and then a motor boat from there to Badthroat. From Badthroat in to Long Lake, one has the option of using small craft with outboard motors or paddling in. The portages are numerous, but have the advantage of being for the most part short and dry. The waters are, in the main, of ample depth for small craft. This route is used in spite of the numerous portages to handle considerable volume of freight.

The third available route and the one generally used at present is via the C. P. R. to Riverton to the Hole River and thence along the Government Road which is approximately 18 miles in length to Caribou Lake and thence by Badthroat to Long Lake. There are teams and wagons for package freight on the portage. The road cannot be regarded as a good one. Trucks have been tried but up to date the break-downs have been too frequent for economical transportation. Those going in or coming out have to walk this portage. This road is of such a nature and the grades so heavy that it is said that a team of horses can only haul about 600 pounds per load. While the government has spent considerable money on the road, the route is regarded as a poor one, from the practical standpoint, as it goes across ridges instead of with the ridges or in the same general direction. The road probably never will become a good one on account of the prohibitive expenditures and heavy rock work necessary to reduce the grades. Another disadvantage of the route is that the road terminates at Caribou or Quesnel Lake, a lake which is swept by heavy seas in bad weather, and in addition there are six portages and the further short river trip to reach the objective, Long Lake. This route is used to reach the Rice Lake area which lies on the way to the north of the district.

Winter Road for Supplies

For those who have to operate in the district in the winter, or have to go in on business at that time, the ideal route is the winter road from Great Falls on the Winnipeg River to Long Lake. Where possible, all properties of the district plan to get the bulk of the heavy freight in by the Winter road. It is the route which was used in the winter of 1925-26 to get in the heavy machinery and equipment used by the Cryderman, the Kitchener, etc. It is the route which is used to get in the bulk of supplies and provisions for each succeeding summer's operations.

The fifth route to Long Lake is the air route. Commercial aeroplane service is available from Lac du Bonnet. The single fare into the Cryderman property is $60. This is practically the same, or if anything a somewhat lower, cost than by the other various routes, when one considers outfitting, the time consumed and other transportation and incidental expenses. It has the very decided advantage of speed and ease and is used largely by business men and engineers going in to examine properties where time is an important factor.

The Wanipigow or Hole River is used for the areas lying to the north of that river, such as the English Brook, Hay Lake and Luelo districts.

Transportation Need Grows

In addition to the mining companies, there are other companies with interests in the district which are directly concerned in the development of the area. In the district lying between Long Lake and Winnipeg River, there are important stands of timber, which are controlled by the Manitoba Pulp and Paper Co. Forest

(Continued on page 19)

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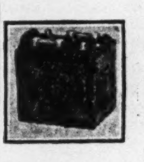

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TWO HIGH GRADE SILVER SHOOTS ARE OPENED ON KEORA

New Development Program Has Already Lead to Interesting Results

Since the reorganization of Keora Mines and the resumption of development at Calute Lake property in Gowganda the amount of success met with gives promise of the mine working out as one of the substantial producers of Gowganda camp.

Previous to the present development campaign a geological examination and survey was made by Horace F. Strong, a well-known geologist and mining engineer, the result of which showed previous work to have been done in the most unfavorable geological part of the property. Following Mr. Strong's examination a new plan of development was undertaken for the purpose of carrying development into more favorable ground, and as this work has advanced results met with have continued to improve.

Present work is under way on the 200 and 150-foot levels. On the 150-foot level the No. 1 vein is being drifted on to the northeast towards the Keewatin diabase contact and several ore shoots have already been encountered, the most important one showing a length of 70 feet in the drift. Plenty of silver is showing in the vein and in places values run as high as 3,500 ounces to the ton.

To the west of the shaft on the 200-foot level what is considered to be the most important development is under way. In cross-cutting west a strong mineralized vein was encountered in close proximity to a strong fault running north and south parallel to the Keewatin diabase contact to the west. Drifting to the south on this vein for a distance of about 30 feet showed an ore shoot about 20 feet in length with fairly high values across a width of from six to eight inches. At the time of writing silver is plainly showing in the face of the drift and an important ore shoot may be developed in this work. Drifting to the north has not as yet encountered any ore shoots, but the vein is now in the fault and there is a fair amount of Cobalt showing. An important feature about this north drift is the expectations of very big results when a series of cross veins are encountered, the first of which should be reached within the next 50 feet. It is a well known fact that these faults play an important part in the deposition of high grade ore shoots in the silver mines of the North, and this particular fault is very much like the celebrated Cobalt Lake fault which had such an important influence on the rich ore bodies found in the big mines of Cobalt.

The property has the necessary favorable geological conditions for success, and the fact that considerable success has already been met with in the development carried on augers well for the work now under way.

The mine, in charge of Thos. Reilly, has efficient management, and operating costs are at a minimum.

A Diesel oil engine supplies all necessary power, and the buildings and plant compare favorably with any operation of equal size. Some months ago a mill was installed having a capacity of about 30 tons per day, and when development warrants it milling operations can commence almost immediately.

OLD BEAVER BOARD KNEW IT WAS GONE

Held About 600,000 Votes While New Interests Presumably Had Purchased 750,000 Shares

It was rather a surprise to those seeking control of Beaver, that when it came to nominate directors for the year, the old board did not put up candidates and therefore there was no election, the new board taking office on the casting vote of the retiring president. D. B. Hanna and some of those acting with him were justly suspicious that there was something in the background, but it seems to have been nothing more than a realization of the old board that they were beaten, and that a vote was useless.

Since then the figures on the proxies held have been made available by Mr. Culver and these strengthen this supposition. Mr. Culver and associated claim 656 proxies, representing 579,720 shares. Casselsand Bigger has 6 proxies, 54,500 shares. Mr. Hanna held 390 proxies of which Mr. Culver claims 146 were cancelled, or a net of 244. For these proxies there was available 1,120,000 shares, but Mr. Culver says that the 750,000 shares, carried in their pockets by the Hanna-Tyrrell group, and representing about 20 accounts, about represented their strength. He makes the point that of public shareholders, his group had the great bulk of the support.

The new directors of Beaver are—Hume Cronyn, London; R. G. O. Thompson (he is the only former director), James C. Haight, Waterloo; A. C. Matthews, C. A. Birge, Hamilton; A. J. Dalton, and J. B. Tyrell, Toronto.

McINTYRE BUSY ON NEW PLANT

Excavations are under way, preparatory to construction of an addition to the general offices of the McIntyre Mine. Rapid progress is also being made in the construction of the new steel and concrete building in which will be housed the hoisting plant for No. 11 shaft. Over $100,000 is being made on this plant alone. The new shaft itself will stand the McIntyre approximately $2,000,000.

BASE METAL BODY ON RED LAKE GROUP

Interesting Possibilities Indicated for Area N.E. of Main Zone

Rather an interesting development at Red Lake is the report that Sherwin Kelley, in making a study of the camp for the Ontario Government and employing a potentiometer, has delimited a large body of sulphide ore on the Dunlop group. This property is at Jackfish Lake, northeast of the Howie-McIntyre section. The supposition is that the body may be copper or zinc with some gold. The extent of the body is 450 by 250-ft. On surface sampling shows $2.15 to $15 over four widely separated parts of the property.

If this works out, it will mean that there is a material difference between the Howie-McIntyre section and the N.E. section as the Howie is a quartz proposition while the Kelley discovery would indicate a base metal ore.

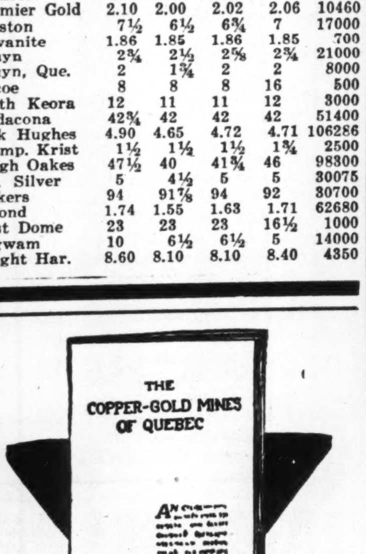
Vipond to Acquire Adjoining Groups

Vipond shadeholders are to meet on Oct. 26 to pass upon the proposal of the directors to purchase the adjoining holdings of British Porcupine mines. These holdings are made up of the old Porcupine Crown and Thompson Krist properties and are considered to have considerable merit. Vipond proposed to pay 250,000 shares of capital stock for them and this will be taken care of out of the recent increase in the authorized capital stock. It is reported that work on the deeper levels of Vipond indicate that some of the good veins on the property run into the old Thompson Krist.

MINING STOCK QUOTATIONS

Week Ending October 19

	High for wk.	Low for wk.	Close Oct. 19	Close Oct. 12	Sales for wk.
Amulet	1.40	1.36	1.37	1.40	57306
Algonquin	3⅝	3	3½	3¼	17000
Apex	3½	3	3½	3	2000
Area	28	22	22	26¾	7200
Argo. Con.	46	40	44	43½	546585
Atlas	3	2⅞	3	2¾	10500
Baldwin	5¼	4½	4⅝	4¾	142500
Barry Holl .	74¾	68	72	68	182450
Beaver	84	66	67	85¼	188900
Bellellen L.	22	21½	21½	21½	8000
Bidgood	4½	4½	4½	6	200
Boston Creek	5	5	5	7	3000
Bourlamaque	1.21	1.18	1.20	1.18	35100
Buckingham	4	3¼	4	4	4500
Can. Lorrain	62	45½	50½	62½	111000
Capitol	30½	25	26	30	113900
Castle Tre.	1.20	.95	1.01	1.20	221500
Chaput	11	8	8	10⅝	236800
Clifton	1¾	1½	1¾	1½	5000
Coniagas	4.50	4.00	4.15	4.40	2000
Coniarum	4.25	3.60	3.60	4.05	935
Col. Kirk.	3¼	2½	3	2¾	37000
Cons. Smelters	239	230	230	230	14236
C. W. Dome	23⅞	21⅜	22½	23½	171994
Crown Res.	9	8	8½	9	15000
Dome Mines	9.30	8.00	8.35	9.15	13065
Don Rouyn	45	38	44	38	7200
Dupuy	31	31	31	31	500
Duprat	20⅝	18¾	19	20	184300
Fiske	15	13	13	13½	3600
Everett	4¾	4	4	4¾	9000
Goldale	45	30½	30½	34	12000
Gold Hill	47	41	43	46¾	40650
Gold Reef.	1¾	1¼	1¾	2	16000
Gladstone	33	33	33	36	3000
Hillcrest, com.	55	55	55	55	125
Hill Top	23	23	23	22	100
Hollinger	19.00	18.35	18.35	19.00	2667
Indian	4½	4½	4½	4½	500
Int. Nickel, c.	36½	35	35⅛	35⅞	3555
Jay Copper	76¾	76	76	76½	18900
Keeley	1.51	1.39	1.42	1.46	151780
Keora Mines	17½	14	14	17½	8750
Kirk. Hunt.	21	18½	20	18	136600
Kirk. Lake	1.10	85½	88	1.00	362700
Lake Shore	14.20	13.40	13.75	14.10	8255
Lakeside	3½	2½	2¾	3½	33500
Laval	24	21½	22	24	45750
La Rose	7½	7½	7½	6	1000
Lorrain	3½	3	3¼	3½	33850
Macassa	36½	35	35	36	9425
McKinley	10	8½	8½	9¾	76500
McIntyre	23.55	22.25	22.65	23.50	15251
Millcrest	5⅞	4½	4½	5⅞	223500
Mining Corp.	2.89	2.60	2.65	2.88	30860
Moneta	14	12½	14	14	2800
Mont. Rouyn	52	38	38	36	16100
Noranda	19.25	18.50	18.55	18.80	29413
Newray	40	40	40	42	100
Night Hawk	5¼	4	5	6	21000
Nipissing	5.60	5.10	5.15	5.55	6430
Ophir	1⅝	1⅝	1⅝	1¾	2000
Pete Lake	10¼	9¾	9¾	10⅛	30200
P. L. Cobalt	32	22	22	31	206640
Porc. Crown	4½	4	4½	5	1500
Pioneer	84	82	82	83	14200
Premier Gold	2.10	2.00	2.02	2.06	10460
Preston	7½	6½	6¾	7	17000
Sylvanite	1.86	1.85	1.86	1.85	700
Rouyn	2¾	2½	2⅝	2¾	21000
Rouyn, Que.	2	1¾	2	2	8000
Siscoe	8	8	8	16	500
South Keora	12	11	11	12	3000
Stadacona	42¾	42	42	42	51400
Teck Hughes	4.90	4.65	4.72	4.71	106286
Thomp. Krist	1½	1½	1½	1¾	2500
Tough Oakes	47½	40	41¾	46	98300
Vic. Silver	5	4½	5	5	30075
Vickers	94	91⅞	94	92	30700
Vipond	1.74	1.55	1.63	1.71	62680
West Dome	23	23	23	16½	1000
Wigwam	10	6½	6½	5	14000
Wright Har.	8.60	8.10	8.10	8.40	4350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Dome Earned $1.38 in 9 Mos. and Paid to Shareholders $1.50

Dome's nine months figures do not show the mine to be terribly badly off. It has not earned the $2 per share dividend or $1.50 for the nine months, but it has long been conceded that this rate was too high. The mill tonnage is up, but leaner ore is being treated, as shown by the recovery per ton, which is down $1. Costs are lower, which is a good omen, and other income is up.

The figures:

	1926	1925
Tons milled …………	413,500	396,000
Recovery …… ………	$2,961,718	$3,237,801
Per ton … ………	$7.163	$8.16
Costs …… ………	1,728,459	1,752,662
Per ton ……………	4.18	4.419
Taxes … … ………	68,280	93,232
Profit …… ………	$1,164,978	$1,391,908
Other earnings ……	149,446	132,690
Profit before dep. ……	$1,314,424	$1,524,538

Domes 9 mos. dividend requirements, $1,430,001, or $116,000 over present earnings with no provision for depreciation.

United Verde Has Taken Up Group in Quebec

United Verde Extension, a United States copper syndicate, has taken over the Murray property situated between Noranda and Richardson group in Rouyn township, Quebec. The deal is stated to involve a payment of $300,000, the company further agreeing to spend an additional sum of $200,000 for development purposes for what is understood to be a 50 per cent. interest in the property. It is further proposed to expend the sum of $50,000 immediately.

CENTRAL MANITOBA, A PIONEER MINING EFFORT DOING WELL

(Continued from page 18)

operations would be immeasurably facilitated by an electric or steam road through the district. Then the Manitoba Power Co. have developments along the Winnipeg River and at present are considering in a preliminary way the supplying of power to the mines. These two companies each obtained charters for railroads through the district at the last session of the Manitoba Legislature. The government indicated that they would be prepared to guarantee the bonds of the company which would undertake to develop the district or possibly the bonds of both under certain conditions. It would seem that it should be reasonable to expect the parties interested in the district to get together and decide on the route and type of road which would most satisfactorily suit the needs of the district. A pioneer, light electric road would have certain advantages in that developed power is now available and the type of road does not require the same amount of costly rock work as a heavier steam road. Another possible solution is that the C.P.R. might extend their line from Lac du Bonnet. During the past summer C. P. R. engineers made a reconnaissance survey in the district and they are actively considering extension of existing lines into the area. The line, shown on map No. 1, from Lac du Bonnet to Great Falls is a light line owned and operated by the Manitoba Power Co., and used in connection with their new power development construction work at Great Falls. In July, Premier Bracken took an aeroplane trip all over the mineralized district with the idea of getting some first hand knowledge which would be helpful in reaching some decision as to the route to be preferred or favored.

Obviously, the more active developments going on among the properties of Central Manitoba area during the present year, are making the desirability of building a road by one of the three alternative routes appear more apparent, and more urgent. It is felt that the advent of such adequate transportation facilities cannot be much longer delayed. Once the Manitoba Power Co., Manitoba Pulp & Paper Co., the mines and the government—the parties chiefly interested—can come to some reasonable agreement as to a satisfactory route, a road should be quickly available.

Power Possibilities Good

The province of Manitoba has vast power resources, ranking third among the provinces in this respect. Her resources are surpassed only by those of Quebec and Ontario. It is estimated that Manitoba has 3,720,000 horse power at minimum flow, or over one-sixth of the total resources of the Dominion. On the Nelson and Churchill Rivers there is more available water power than on the Niagara and Saguenay Rivers combined. In the Central Manitoba gold area, the power resources of the English and Winnipeg Rivers exceed 500,000 h.p. The Manitoba Power Company has developed water powers within forty or fifty miles of the present active mining operations. Then at numerous points along the rivers and streams in the district there are small water falls capable of supplying moderate amounts of power for the more local purposes. The power problem, therefore, offers no obstacle to the larger active mining developments, which will succeed the present initial stages. The only available power source at the present moment is, of course, steam, the fuel used being wood. The Kitchener mine used something over 1,500 cords in the past season and will probably require double this amount in the coming season. With developed hydro electric power available within 40 or 50 miles there should be no difficulty in satisfactorily negotiating with the Manitoba Power Co. for the necessary supply. The building of a transmission line to the mine could be done at low cost. Power should be available at reasonable rates. As the power company is already distributing a large amount of power to manufacturers and domestic consumers, the supplying of the mines will entail no new construction work which might be regarded as being more or less exclusively for mining operations.

The operations of John Taylor & Sons and the Mining Corporation, now being carried on in Central Manitoba are directing a great deal of renewed attention to the district, and are giving the province quite a new place in the mining world. As is well-known to every mining man, John Taylor & Sons is a very old-established, successful and conservative company. Their name has been associated with mining successes in many parts of the world, such as Myrose, Ooregum, Nundydroog, Champion Reef and Balaghat in India and Ouro Preto in Brazil. The conservative operation of the Mining Corporation are well known to Canadians. These two companies are old in mining experience and they bring to the district abundant financial resources, business-like management, the highest technical skill and a thorough familiarity with the precambrian, which is bound to have beneficial effect on the spots to prove up the whole district.

Lake Shore
Teck-Hughes
Barry Hollgr.
Vickers
Pet. Cobalt
Parmac

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EASTERN SECTION OF KIRKLAND LAKE GETS ATTENTION

Old Operations Are Resuming and Deals Are Pending in Gull Lake

Eastern Kirkland Lake, that part in Lebel Township, east of the producing zone of the camp, is coming in for renewed attention. Several of the old operations, which carried on a certain amount of work in the past, have plans for going ahead, while it is reported that a couple of deals are pending for groups making up a good portion of Gull Lake which is at the eastern boundary of Tough Oakes Burnside.

Two operations which have awakened an interest in this eastern section of the camp have been Kirk Gold and Queen Lebel. On these two operations a considerable measure of success has been met with in the limited amount of work done. So encouraging were the Kirk Gold results that the company took in the Oswego adjoining to the west and organized a new company, Conroyal. Queen Lebel, is said to have reached about the same stage of success as Kirk Gold and is now reported acquiring additional holdings, some of which are said to have already been secured.

Others May Resume

Lebel Lode has a promising program of diamond drilling outlined and this should bring to light some interesting information. At the same time there is talk of Lebel Oro getting under way again and discussion has been going on as to plans to reopen Bidgood which has more development work done than any other property in the township.

Now comes the news that a large New York house has made a tentative deal for the Gull Kirkland Group in Gull Lake. This property is shown on the maps as being all water claims but it is likely that there are some islands from which diamond drilling or underground work could be launched.

There is talk of Ross Powell interests doing some diamond drilling from an island east and south of the Gull Lake group. This island is considered by those who support the theory, that the main break of the camp passes along the south part of the lake, to be direct in line with what is thought to be the strike of the zone. Since the war the Ross Powell, a syndicate, has been in somewhat of an embarrassing position as it has been difficult to locate and weld together the varied scattered interests. This was due to the fact that some of the principals were war casualties. However, it is reported now, that the interesting block adjoining the Queen Lebel on the east has been completely rounded out and negotiations for a deal are said to be on. The bulk of the interests in the west group, which it is claimed is the choice holding in the lake, is about completely rounded up. The syndicate heads state that there have been several bids from large operators for this group, as soon as a 65 per cent. interest was secured inbloc. This they say has now been achieved but state that the property looks so attractive in light of recent developments in the section, that they are seriously considering diamond drilling themselves.

Other Lake Holdings

English interests control that part of Gull Lake immediately east of the Tough Oakes Burnside. John Taylor and Sons have an interest in that holding while the Continental Co. has a portion of the lake to the north.

Gull Lake has been a puzzle, but the best engineering opinion seems to be that the main break of the camp passes through it. Thus it is possible that at some time in the future, this large area may blossom out in a sensational way as did Kirkland and Pearl Lakes. It was not until Lake Shore got under Kirkland Lake that it cut into its real ore and the Pearl Lake section of the McIntyre has been about the richest in Porcupine camp. In Cobalt, Cobalt and Kerr Lakes were among the richest in the camp, while the big operations in Gowganda centre around Miller Lake.

Two New Veins Are Cut on Pete Cobalt

In raising through an old stope on the 255-ft. level to carry up as a winze, Peterson Cobalt management cut a 10 inch vein in the Keewatin just at the diabase contact and further work upwards south of the contact cut another vein, two inches wide. Only a couple of rounds were taken out of the new finds. Both are typical of the camp, nicely broken, showing calcite in the wall rock and both the vein and wall rock are freely splattered with leaf silver. This makes several finds which have been made on the property, none of which has been explored to any extent as yet as the management is busy getting the mine in shape for economical operation.

Alberta Natural Gas Reserves Tremendous

Gas reserves in the Bow Island and Foremost fields in Southern Alberta total 21,000,000,000 cubic feet, according to evidence given by C. W. Studt, geologist, of Independence, Kansas, at the rates inquiry being held by the Board of Public Utilities, Calgary. Mr. Studt said that the reserve in the Chin Coulee field was about 480,000,000 cubic feet. There was also a reserve at the Rogers-Imperial and Erickson-Coulee wells and in Turner Valley. He did not express an opinion as to the extent of the reserves in these two fields, stating that he did not think it possible to measure the reserves in Turner Valley, but he did say that it was "probably a considerable amount."

WHY KEEN COMPETITION FOR CONTROL OF OLD COBALT COMPANIES?

(Continued from page 17)

posed to treat by oil flotation a few years ago when silver was around $1 per ounce, but the price declined rapidly and the new plant was never operated.

McKinley-Darragh's Position

The 1925 annual report on McKinley-Darragh shows that the company had liquid assets of $270,000 over current liabilities which is about the same as in 1924 when the final round of the battle for control was staged.

The property is about through. The company has had a lease on an adjoining holding of La Rose but it has been intimated that this lease, which expires toward the end of the year, will not be renewed, As with the case of Temiskaming the only asset worth while is the liquid assets in the treasury.

La Rose was the subject of several sharp annual contests before a change in control was brought about. The liquid position of the company underwent a radical change in the last year and this may have resulted in the old board easing up in their fight. During the year a settlement has been made with the O'Brien people and the long drawn out litigation over the Violet shaft ended. It cost La Rose $125,000 cash and practically exhausted the heretofore attractive treasury of the company. La Rose however, still had properties that have possibilities. The Violet and University are two of these. The company has also holdings in Quebec.

Beaver Situation

Beaver presents a complicated situation. The fight for control of this company leaves grounds for all kinds of conjectures.

Beaver treasury held 1,200,000 shares of common stock of Kirkland Lake Gold and 500,000 preferred shares out of a total of 4,000,000 common and 1,000,000 pref., par value of each, $1. Beaver's Cobalt property was exhausted. The plant was being scrapped. There was an additional interest, control of Beaver Auxiliary, a silver prospect in Elk Lake country.

Beaver had financed Kirkland Lake gold and brought the property to production but failed to get it on a commercial basis. A deal was about made with Teck Hughes when some good ore was encountered and later J. B. Tyrrell was able to interest his English connection, Anglo-French Exploration, in financing further development of the property. It is understood that this financing put $550,000 cash in the treasury. When it came to the point where the operation began to look like a commercial proposition and the stock moved up well over $1, Mr. Culver, then president of both Beaver and Kirkland Lake Gold, decided to sell some of Beaver's holdings of Kirkland Lake common and did sell some 60,000 shares to net the Treasury $1.01, with a view of exploring Beaver Auxiliary.

Started Fight for Control

It was this latter action that was made the subject of the contest for control of the company, but figures available indicate that it was not a contest at all as the new interests, acting presumably in a group or syndicate, held enough stock to give them control of the company without asking the other shareholders for a proxy.

The question uppermost in the minds of the public and of the shareholders, is, what does the new control propose to do? What was their idea in going after control of the Beaver company? Of the new directors, few of them have ever been known or associated in any public way with mining, except Mr. Tyrrell.

Beaver's preferred shares of Kirkland Lake Gold are worth $550,000, being redeemable at par plus 10. Beaver's 1,200,000 shares of common at to-day's market, about 90 cents, are worth $1,080,000. In the past year they reached a market valuation of close to $1,750,000, or in all $2,250,000.

Was it to get control of this huge treasury or to control the sale of Kirkland Lake shares which Beaver held in its treasury that the control of Beaver was sought? On the face of it, the deal looked reasonable, if Kirkland Lake Gold shares were worth their market valuation. The new interests are estimated to have purchased 750,000 shares of Beaver to achieve their purpose. Taking the stock at 70 cents and it has sold as high as 94, this would mean the expenditure of $525,000. Beaver held 1,700,000 shares of Kirkland Lake stock in its treasury worth at least, on the market, $1, or about 85 cents for each share of Beaver. Thus the chance was not great and in addition there was the great speculative possibilities of the common shares and the added interest of the 10 cents per share on the preferred when redeemed. Thus Beaver stock looked attractive from a speculative point of view as it gave control of a very large sum of money and at the same time the speculator found that his equity in the stock or his speculation was protected by a sum at least equal to his investment in the treasury.

Selling Kirkland Shares

The other phase of the question involved the selling of Kirkland Lake Gold shares. Mr. Tyrrell did not like this. Last year he went to England and is believed he remonstrated with Anglo French Exploration for marketing their shares and it is generally believed that it was because of their doing so that he resigned from that company. Beaver sold a block of the stock as pointed out, and though Mr. Culver has said that Mr. Tyrrell has marketed a considerable amount of his Kirkland Lake holding, the latter has denied it and has launched a court action against Mr. Culver. The latter threw down the gauntlet in accepting this challenge and the facts will likely come out when the action goes to court.

The situation, however, is slightly ambiguous if the latter explanation is accepted as being the reason behind the drive for change in control of Beaver. Why would the new board not want Beaver holdings of Kirkland Lake Gold marketed? There is one of two answers to this. Either they want the assets conserved to be distributed among shareholders, or they don't want the market position of Kirkland Lake shares jeopardized by the marketing of such a huge amount of stock.

Other Possibilities

It will be remembered that Mr. Culver was marketing the shares and using the proceeds to explore Beaver Auxiliary. There is of course the possibility that Mr. Tyrrell thought these funds were being wasted and that they could be expended to better advantage. If not then there is the supposition that the new control wanted the Beaver assets conserved for the shareholders, they having been deprived of funds which were theirs for many years. The answer to this point may be forthcoming shortly. It should be defined when official action is taken in regard the dividend of 1,000,000 shares of Kirkland Lake Gold which the old Beaver board decided, in its dying moments, should be distributed to shareholders as a dividend on a basis of one Kirkland for every two of Beaver held.

While nothing official has been announced, it is understood that action on this dividend may be delayed. The declaration is to the effect that it shall be paid on November 5 to shareholders of record on November 1. There is no indication that the new board is not favorable to the dividend being gone on with. There may be a move to delay it until such time as the books of the company have been gone over. Whether a delay is legal, once the dividend is declared, or whether the new board can, if it feels disposed, cancel the dividend, is a legal matter that may or may not come to a head. Some of the old directors are said to have secured legal advice and to contend that the dividend cannot be cancelled.

How About Dividends?

If the dividend is not paid on Nov. 15, it will likely result in a demand from shareholders as to the reason why. The report which Mr. Culver read at the annual meeting, covering operations of Kirkland Lake Gold, and which must have played a part if the breaking of the market for the shares which has taken place since, will make many shareholders of Beaver anxious to get their portion of the company's assets into their own hands and this makes the situation doubly interesting. There has been an inclination on the part of some to throw water on the report of Mr. Summerhayes, made to the old Beaver board. But the standing of this engineer and the fact that it went into detail not covered by any report issued by Kirkland Lake engineers, and because Mr. Culver emphasized that the Summerhayes report accepted the Kirkland Lake assay results, mining men are inclined to put a great deal of credence in and value on it. Briefly the report showed about $548,000 in ore with about $530,000 expended in development. On Oct. 1 Kirkland Lake Gold had about $19,000 cash in the treasury.

As has been said, there are numerous phases to the Beaver situation. Only time will tell how they are going to work out or reveal just what the object was in going after control of this old, worked out, company.

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Hebacourt Township, Rouyn District—400 acres
Rouyn Township, Rouyn District—360 acres
Duprat Township, Rouyn District—420 acres
1900 acres

All of the above groups are situated in the immediate vicinity and have the same general geological conditions as properties being worked by Noranda, Huronian Belt, Consolidated Smelters, Nipissing, the Timmins' interest, Wait-Montgomery, Amulet, Coniagas. The Company also has options on valuable groups of property in Ontario and New Brunswick subject to examination.

DEVELOPMENT
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Quiet—Sanitary—
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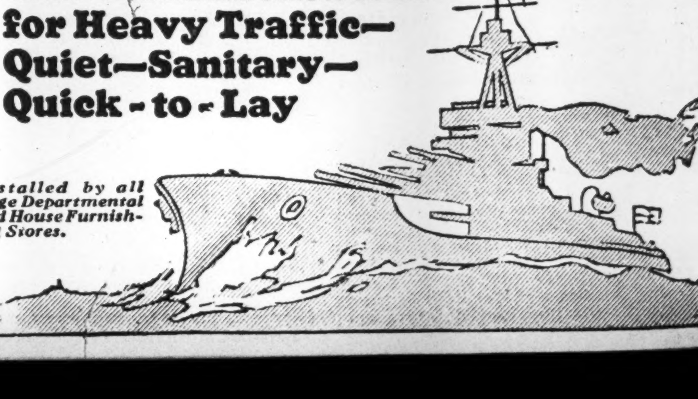

Installed by all large Departmental and House Furnishing Stores.